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~~S. R. Ryan~~



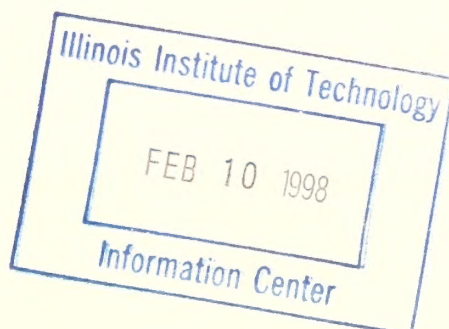
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Rules of Governmental Agencies

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Secretary of State

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DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENT

1) Heading of the Part: WIC Vendor Management Code2) Code Citation: 77 Ill. Adm. Code 6723) Section Numbers: Proposed Action:

672.100 Amendment
 672.220 Amendment
 672.225 Amendment
 672.515 Amendment
 672.520 Amendment
 672.600 Amendment

4) Statutory Authority: Implementing and authorized by the WIC Vendor Management Act [40 ILCS 255]

5) A Complete Description of the Subjects and Issues Involved: The WIC vendor rules, which were recodified under Department of Human Services, neglected to change the definition (Section 672.100) of "Director" to refer to the Secretary of the Department of Human Services. Section 672.600 is being amended to make clear that "Department" in line 5 refers to the Department of Public Health and not Department of Human Services.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
No7) Does this rulemaking contain an automatic repeal date? No8) Does this rulemaking contain incorporations by reference? No9) Are there any other proposed rulemakings pending on this Part? No10) Statement of Statewide Policy Objectives: This rulemaking does not create nor expand a State Mandate.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning this rulemaking within 45 days after this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

Ms. Susan Warner-Weir, Bureau Chief
 Bureau of Administrative Rules and Procedures
 Department of Human Services
 100 South Grand Avenue East
 3rd Floor, Harris Bldg.
 Springfield, IL 62762
 (217) 785-9772
 TTY: (217) 557-1547

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENT

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: it was not anticipated by the Department when the Regulatory Agenda was published.

The full text of the Proposed Rulemaking is identical to the text of the emergency rulemaking that appears in this issue of the *Illinois Register* on page **2129**.

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED RULES

1) Heading of the Part: Noncompliance Notification and Penalties2) Code Citation: 50 Ill. Adm. Code 44353) Section Numbers: Proposed Action:

4435.10 New Section
 4435.20 New Section
 4435.30 New Section
 4435.40 New Section
 4435.50 New Section
 4435.60 New Section
 4435.70 New Section
 4435.80 New Section

4) Statutory Authority: Implementing Section 1A-113 of the Illinois Pension Code [40 ILCS 5/1A-113] (see P.A. 90-507, effective August 22, 1997) and authorized by Section 1A-103 of the Illinois Pension Code [40 ILCS 5/1A-103] (see P.A. 90-507, effective August 22, 1997).

5) A Complete Description of the Subjects and Issues Involved: The Department is adopting these new administrative regulations to address the new legislation which assesses penalties on pension funds for noncompliance with the Illinois Pension Code and the Department's regulations.

The purpose of this Part is to set forth the process for the assessment of penalties as prescribed by Section 1A-113 of the Illinois Pension Code which includes a hearing. This Part also provides criteria for the Director's determination of whether a pension fund has demonstrated good and sufficient cause for its noncompliance with the Illinois Pension Code and the Department's regulations.

6) Will this proposed Rule replace an emergency rule currently in effect?
 No

7) Does this Rule contain an automatic repeal date? No

8) Does this proposed Rule contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This new rule will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED RULES

Publication of this Notice to:

Denise Hamilton or Chuck Feinen
 Rules Unit Supervisor Staff Attorney
 Department of Insurance Department of Insurance
 320 West Washington 320 West Washington
 Springfield, IL 62767 Springfield, IL 62767
 (217)785-8560 (217)557-1396

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: There is no effect to small businesses, small municipalities and not for profit corporations.

B) Reporting, bookkeeping or other procedures required for compliance:
 None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on either of the two most recent agendas because the Department did not anticipate the passage of P.A. 90-507, effective August 27, 1997, and the need to establish a noncompliance notification and penalty procedure regulation within this regulatory agenda period.

The full text of the Proposed Rules begins on the next page:

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED RULES

TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER aaa: PENSIONS

PART 4435
NONCOMPLIANCE NOTIFICATION AND
PENALTIES

Section	Purpose
4435.10	Applicability
4435.20	Definitions
4435.30	Notification of Noncompliance
4435.40	Reasonable Compliance Period for Notification
4435.50	Director's Determination of Noncompliance
4435.60	Director's Determination of Failure to Timely File
4435.70	Hearing to Show Good and Sufficient Cause
4435.80	

AUTHORITY: Implementing Section 1A-113 and authorized by Section 1A-103 of the Illinois Pension Code [40 ILCS 5/1A-103 and 1A-113](see P.A. 90-507, effective August 22, 1997).

SOURCE: Adopted at 22 Ill. Reg. _____, effective _____.

Section 4435.10 Purpose

This Part sets forth the procedural requirements and penalty fee schedules for governmental units that fail to comply with the requirements of the Illinois Pension Code and the Department of Insurance's administrative regulations implementing the Illinois Pension Code.

Section 4435.20 Applicability

This Part applies to any governmental unit that is subject to any law establishing a pension fund or retirement system for the benefit of employees of the governmental unit [40 ILCS 5/1A-113(d)] (see P.A. 90-507, effective August 22, 1997).

Section 4435.30 Definitions

Actuarial Statement means the informational filing as required by Section 1A-110 or 1A-111 of the Illinois Pension Code [40 ILCS 5/1A-110 and 1A-111] (see P.A. 90-507, effective August 22, 1997), which is filed in conjunction with the annual statement.

Annual Statement means the information filed by pension funds pursuant

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED RULES

to Section 1A-109 of the Illinois Pension Code [40 ILCS 5/1A-109] (see P.A. 90-507, effective August 22, 1997).

Annual Compliance Fee means the fee paid to the Department by pension funds pursuant to Section 1A-112 of the Illinois Pension Code [40 ILCS 5/1A-112] (see P.A. 90-507, effective August 22, 1997).

Code means the Illinois Pension Code [40 ILCS 5].

Department means the Department of Insurance of the State of Illinois [40 ILCS 5/1A-102] (see P.A. 90-507, effective August 22, 1997).

Division means the Public Pension Division of the Department of Insurance [40 ILCS 5/1A-102] (see P.A. 90-507, effective August 22, 1997).

Governing Body means the Board of Trustees, directors or, if otherwise designated in the basic organizational document bylaws, those individuals vested with the ultimate responsibility for the management of any pension fund.

Governmental Unit means the State of Illinois, any instrumentality or agency thereof (except transit authorities or agencies operating within or within and without cities with a population over 3,000,000), and any political subdivision or municipal corporation that establishes and maintains a public pension fund [40 ILCS 5/1A-102] (see P.A. 90-507, effective August 22, 1997).

Person means pension fund, governmental unit, governing body, any elected or appointed officer or official of a governmental unit or individual.

Pension Fund means any public pension fund, annuity and benefit fund, or retirement system established under the Illinois Pension Code [40 ILCS 5/1A-102] (see P.A. 90-507, effective August 22, 1997).

Section 4435.40 Notification of Noncompliance

The Division shall provide written notification to each person of the specific provision(s) of the Code and/or the Department's regulation(s) with which the person has failed to comply [40 ILCS 5/1A-113(d)(1)] (see P.A. 90-507, effective August 22, 1997). Each notification shall clearly state the Code provision(s) and/or regulation Section(s) violated, the basis for the Division's determination of noncompliance, the possible penalty amount associated with the noncompliance and, if applicable, the reasonable time, as determined by Section 4435.50 of this Part, by which the person may achieve compliance after receipt of this notification.

AT CHICAGO TENT 1A

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED RULES

Section 4435.50 Reasonable Compliance Period for Notification

- a) Upon receipt of the noncompliance notification described in Section 4435.40, other than a notification for failure to timely file pursuant to Section 1A-113(a), (b) and (c) of the Code, the person notified shall take immediate steps to comply with the provisions of the Code and/or Department's regulation(s) specified in the notice [40 ILCS 5/1A-113(d)(2)] (see P.A. 90-507, effective August 22, 1997).
- b) If the person notified fails to comply with the provision(s) of the Code and/or Department's regulation(s) specified in the noncompliance notification within 30 days after receipt of such notification, the Director may hold a hearing pursuant to Section 4435.80 of this Part to determine if a penalty should be assessed in accordance with the procedures set forth in Section 4435.60 of this Part (see 40 ILCS 5/1A-113(d)(3), P.A. 90-507, effective August 22, 1997).

Section 4435.60 Director's Determination of Noncompliance

- a) If the Director, upon hearing held pursuant to Section 4435.80 of this Part, determines that good and sufficient cause for noncompliance has not been shown, the Director may order the person to submit evidence of compliance within a specified period of not less than 30 days [40 ILCS 5/1A-113(d)(4)] (see P.A. 90-507, effective August 22, 1997).
- b) If evidence of compliance is submitted within the specified period as set forth by order of the Director in subsection (a) of this Section, the Director shall issue a notification of compliance to the person.
- c) If evidence of compliance has not been submitted to the Director within the period of time prescribed in the order pursuant to subsection (a) of this Section and no administrative appeal from the order has been initiated, the Director may assess a civil penalty of up to \$2,000 against the person for each noncompliance with an order of the Director [40 ILCS 5/1A-113(d)(5)] (see P.A. 90-507, effective August 22, 1997).

Section 4435.70 Director's Determination of Failure to Timely File

- a) If the Director determines, after a hearing held pursuant to Section 4435.80 of this Part, that any person has failed, without good and sufficient cause, to file its annual statement within the time prescribed under Section 1A-109 of the Code, the Director may order the person to pay a penalty, which shall not exceed \$100 for each day's delay [40 ILCS 5/1A-113(a)] (see P.A. 90-507, effective August 22, 1997).
- b) If the Director determines, after a hearing held pursuant to Section 4435.80 of this Part, that any person has failed, without good and sufficient cause, to file its actuarial statement within the time prescribed under Section 1A-112 of the Code, the Director may order the person to pay a penalty, which shall not exceed \$100 for each

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED RULES

day's delay [40 ILCS 5/1A-113(b)] (see P.A. 90-507, effective August 22, 1997).

- c) If the Director determines, after a hearing held pursuant to Section 4435.80 of this Part, that any person has failed, without good and sufficient cause, to file its annual compliance fee within the time prescribed under Section 1A-112 of the Code, the Director may order the person pay a penalty of 5% of the amount of the annual compliance fee for each month, or part of a month that the annual compliance fee is late. Such fee shall not exceed 25% of the total amount of the annual compliance fee due.

Section 4435.80 Hearing to Show Good and Sufficient Cause

- a) If the Director determines that a hearing should be held to allow a demonstration of good and sufficient cause pursuant to either Section 4435.50 or Section 4435.70 of this Part, such hearing shall be conducted pursuant to the procedures set forth in 50 Ill. Adm. Code 2402, except that, if more specific procedures are set forth in this Part, then the more specific procedures apply.
- b) At such hearing the burden of proof to show good and sufficient cause for failure to comply with the requirements of the Code and/or Department regulation(s) shall be on the person notified pursuant to Section 4435.40 of this Part.
- c) In determining whether a person has met the burden of proof as required by subsection (b) of this Section, the Director may consider, but is not limited to, the following:
 - 1) Evidence that, due to no fault of the person, there was an unforeseeable or unexpected delay or occurrence;
 - 2) Evidence of an uncontrollable circumstance; and
 - 3) Evidence pertaining to Acts of God.
- d) The Director, in determining that a person has failed to meet the burden of proof as required by subsection (b) of this Section, will consider, but is not limited to, the following:
 - 1) Evidence or claims of ignorance of the requirements of the Code and/or Department regulations; and
 - 2) Evidence of irresponsibility and/or mismanagement on the part of the person notified.

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Forestry Development Cost-Share Program

2) Code Citation: 17 Ill. Adm. Code 1536

3) Section Numbers: Proposed Action:

1536.10	Amendments
1536.20	Amendments
1536.25	Amendments
1536.30	Amendments
1536.40	Amendments
1536.50	Amendments
1536.60	Amendments
1536.65	Amendments
1536.70	Amendments
1536.80	Amendments
1536.100	Amendments

4) Statutory Authority: Implementing and authorized by the Illinois Forestry Development Act [525 ILCS 15].

5) A Complete Description of the Subjects and Issues Involved: The purpose of these amendments is to update the existing rule and clarify some of the provisions. These amendments increase the not to exceed dollar amount for each of the practices, clarify the use of other cost-share programs, update billing statement requirements and base cost issues for practices, and more clearly define some practices.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed rule may be submitted in writing for a period of 45 days following publication of this notice to:

Jack Price
Department of Natural Resources
524 S. Second Street
Springfield, IL 62701-1787
217/782-1809

AT Chicago Vent 14

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rule was summarized: This rule was not included on either of the 2 most recent agendas because: The Department neglected to file a regulatory agenda on this Part.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

TITLE 17: CONSERVATION
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER d: FORESTRY

PART 1536
FORESTRY DEVELOPMENT COST-SHARE PROGRAM

Section	
1536.10	General
1536.20	Eligibility
1536.25	Preparation of Forest Management Plans
1536.30	Planting Trees and Direct Seeding
1536.40	Fencing to Protect Forests and Plantations
1536.50	Tending Forest Stands improving a Stand of Forest Trees
1536.60	Firebreaks to Protect Forests
1536.65	Reducing Wildlife Damage
1536.70	Site Preparation for Natural Regeneration
1536.80	Appeal
1536.90	Information
1536.100	Penalty

AUTHORITY: Implementing and authorized by the Illinois Forestry Development Act [525 ILCS 15].

SOURCE: Adopted and codified at 8 Ill. Reg. 13689, effective July 25, 1984; amended at 9 Ill. Reg. 14286, effective September 5, 1985; amended at 10 Ill. Reg. 6838, effective April 3, 1986; amended at 10 Ill. Reg. 18168, effective October 15, 1986; amended at 11 Ill. Reg. 18632, effective November 2, 1987; amended at 14 Ill. Reg. 18244, effective October 29, 1990; amended at 17 Ill. Reg. 16485, effective September 27, 1993; recodified by changing the agency name from Department of Conservation to Department of Natural Resources at 20 Ill. Reg. 9389; amended at 22 Ill. Reg. _____, effective _____.

Section 1536.10 General

The purpose of this program is to encourage the planting, management, use, tending and regeneration of forests.

- Landowners ~~timber-growers--and/or--landowners~~ participating in this program may also be eligible for federal forestry cost-share programs administered by agencies of the United States. "Landowners" means timber growers as defined in the Illinois Forestry Development Act [525 ILCS 15]. ~~Department--of--Agriculture--(U-S-D-A)--Agricultural Stabilization--and--Conservation--Service.~~
- An application for the cost-shared practice must be completed by the ~~timber--grower--and/or~~ landowner and submitted to the Illinois Department of Natural Resource's District Forester, hereinafter referred to as the District Forester. The requirements for

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

installation of the practice will be described in the approved forest management plan, hereafter called the "plan". The cost-shared practice can not be started until the application is approved by the District Forester.

- The reimbursement ~~payment~~ for the approved cost-shared practice will be based on the landowner's documentation of cost to install the practice and will not exceed the established cost-share percentages ~~rates~~ and will not ~~to~~ exceed maximum amounts per unit allowed in this Part. ~~A sample cost-share documentation format is shown in Exhibit A.~~ Landowners must provide an itemized statement with paid receipts for expenses of more than \$10 in the implementation of the approved practice. In determining the cost of a landowner or family member doing the practices, the labor rate shall not exceed \$12 per hour. Reimbursement for amounts less than \$50 will not be processed for payment.
- This is a reimbursement cost-share program. Advance payment will not be allowed. Furthermore, cost-share payment cannot be made to a third party or to vendors.
- When Federal or other cost-share program practices are utilized concurrently with the Illinois Forestry Development Act (IFDA) Cost-Share Program, the cost-share percentage shall equal the percentage of the other concurrent cost-share program in effect in the county where the practice is installed. The IFDA cost-share percentage and the "not to exceed per practice unit amount" shall be adjusted proportionately from the standard rate now in effect. Landowners may not be reimbursed more than the actual cost not to exceed the base cost of the practice. The base cost represents the amount upon which the cost-share maximum is derived. The adjusted maximum fixed rate is determined by taking the federal cost-share percent rate times the average cost per acre. Federal programs will be used for initial payment.
- A practice cannot be repeated on the same land within a 10 year period and must be effective for a minimum of 10 years, except as allowed under Sections 1536.30 and 1536.70.
- Property upon which cost-shared practices are installed must be protected from wildlife and grazing by measures set forth in the ~~plan~~ ~~approved forest management plan, hereinafter called the plan.~~
- Chemicals used in performing this practice must be federally, state and locally registered and must be applied strictly in accordance with authorized registered uses, directions on the label, and other Federal and State ~~polities--and~~ requirements.
- If a timber sale has occurred within 2 State of Illinois fiscal years prior to the approval of a cost shared practice, then landowners ~~timber-growers~~ will have their cost-share increased by an amount not to exceed 50% of their harvest fee. The combined payment for the practice and the harvest fee rebate shall not exceed 100% of the timber grower's practice cost. Landowners ~~timber-growers~~ who sold timber based upon provisions of the plan shall have priority for

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

harvest fee rebates. Federal cost share programs cannot be used with the harvest fee rebate.

- h) ~~When Federal or other cost share program practices are utilized concurrently with the Illinois Forestry Development Act (IPDA) (Ill. Rev. Stat. 1991, ch. 96-1/2, par. 9101 et seq.) (525-155-15) the cost share rate shall equal the rate of the other concurrent cost share program in effect in the county where the practice is installed. The IPDA cost share rate and the not-to-exceed-per-practice unit amount (see Section 1536.30(d)) shall be adjusted proportionately from the standard rate now in effect. Also see Section 1536.30(b).~~

- k) While this program may be combined with a federal program for implementation of a specific practice, it cannot be combined with another State program for the same practice.

- l) Only approved and satisfactorily completed practices provide the basis for reimbursement to landowners. All components must be completed and approved before payment is approved.

- m) Cost share practices shall not be authorized for any action that is determined to be harmful to threatened or endangered species or their habitat.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.20 Eligibility

- a) Participation in the program is limited to landowners and timber growers who own or operate at least 5 contiguous acres of land in this State. A forest must be at least 100 feet wide.

- b) The property on which the cost-shared practices will be installed must have an approved forest management plan as described in 17 Ill. Adm. Code 1537, except for a cost-share application for "preparation of forest management plans" practice under Section 1536.25 must be submitted to and approved by the District Forester prior to initiation of a forest management plan.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.25 Preparation of Forest Management Plans

This practice provides landowners with another opportunity to obtain professional conservation assistance in plan preparation.

- a) This cost-share practice is valid only when a landowner pays another party for preparation of a plan. The landowner must approve and sign the plan before the District Forester will authorize reimbursement of the cost-share of the plan practice.

- b) A cost-share application for this practice must be submitted and

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

approved by the District Forester prior to initiation of a plan. However, for all other cost-share practices, an approved plan must be in effect prior to submission of a cost-share application.

- c) The plan forest management plan must meet the conditions, requirements, standards and specifications as contained in Sections 9101 et seq. of the IFDA and 17 Ill. Adm. Code 1537 and this Part. Additional information to clarify the requirements mentioned above are listed in two publications published by the Illinois Technical Forestry Association: "Recommended Silvicultural and Management Practices for Illinois Hardwood Forest Types" (1972), Extension of Forester, Illinois Cooperative Extension Service, University of Illinois, 110 Mumford Hall, Urbana, IL 61801, (no later editions or amendments are included) and "Forest Planting Practices for Illinois" (1974), Illinois Technical Forestry Association, Inc., c/o Department of Forestry, 211 Mumford Hall, Urbana, IL 61801, (no later editions or amendments are included).

- d) Components eligible for cost-sharing can include: reconnaissance, travel costs, secretarial, mailing and telephone costs, forest inventory, data analysis and plan writing.

- e) Reconnaissance notes; field data; inventory per acre and per stand; and analysis of forest inventory must be submitted with the plan, to the District Forester.

- f) All of the land in a county owned by the same individual(s), partnership(s) or corporations(s) shall be included in a single plan. Amendments of plans shall be included in a single plan. Amendments of plans shall be included in a single plan. Year lifespan of a plan shall be cost-shared as described below.

- g) Cost-share rate for plans of silviculture and management on existing forest stands shall be 75% of the owner's cost not to exceed \$7 \$9-00 per acre for 5 to 50 acres, plus \$9-00 per acre for each additional acre from 51 acres through 100 acres, and \$2-00 per acre for each additional acre equal to or greater than 101 acres.

- h) Cost-share rate for reforestation and afforestation plans as defined in 17 Ill. Adm. Code 1537 shall be 75% of the landowner's cost not to exceed \$4 \$9-00 per acre.

- i) Fractional acres for all plans shall be rounded to the nearest acre for cost-share payment as follows: .01 to .49 acres will be rounded down and .50 to .99 shall be rounded up.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.30 Planting Trees and Direct Seeding

The purpose of this practice is to establish a stand of forest trees for timber production purposes and compatible multiple uses and to provide general environmental benefits.

- a) The District Forester shall determine the suitability of the land for site preparation and tree planting, considering soil erodibility and

DEPARTMENT OF NATURAL RESOURCES

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the economic feasibility of soil stability practices such as timing of the practice and ground cover requirements.

- b) ~~Cost-share-rates-for-practices-under-Section-1536-30-will-be-50%-of-the-actual-cost-not-to-exceed-the-adjusted-maximum-fixed-rate-per-acre-for-those-lands-which-are-accepted-under-the-U.S.-Department-of-Agriculture-Conservation-Reserve-Program--The-maximum-fixed-rate-is determined-by-taking-75%-of-the-average-cost-per-acre-within-the-State-for-eligible-practices--under-this-part--the-adjusted-maximum-fixed-rate-is-determined-by-taking-50%-of-the-average-cost--All-other-lands not-enrolled-in-the-Conservation-Reserve-Program-or-other-cost-share programs--will-be-eligible-for-the-75%-cost-share-rate-as-established under-this-Section-and-Section-1536-10(b).~~

b) ~~c)~~ Cost-sharing is not authorized for:

- 1) planting trees or direct seeding on less than 1 acre or planting less than 435 trees per acre.
- 2) planting or culture of fruit or nut orchards, Christmas trees or planting for ornamental, or landscaping or mitigation purposes.
- 3) irrigation of planted trees.

c) ~~d)~~ Cost-Share Rates/Specification:

- 1) Site Preparation - 75% of the actual cost not to exceed a variable amount ranging from \$30 to \$180 \$150 per acre, as determined by the Plan ~~plan~~ preparer and approved by the District Forester. The Plan ~~plan~~ preparer conducts a careful field inspection of current vegetation cover on the site to be prepared, and then uses categories and amounts in subsection (c)(1)(B) ~~(b)~~ to make a determination about the cost-share rate per acre.

A) Cost-share categories and corresponding variable cost-share amounts shall be prorated per acre, per category, and shall be approved by the District Forester.

B) Cost-share categories and variable Cost-share payments follow:

Category	Variable Cost-Share Amounts Not to Exceed, Per Acre
i) Vegetation or heavy residues which will cause some difficulty in normal planting.	\$25-00 \$30
ii) Sixty percent (60%) or more of area in sod and broad leaved herbaceous plants. Or to forty-percent-(40%) of area in light woody cover, stems two inches (2") or less diameter at ground line.	\$50-00 \$60

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- iii) More than ~~forty-percent-(40%)~~ of area occupied by woody vegetation, briars, vines, or woody stems two inches (2") diameter or less at ground line, but can include up to ~~twenty-five-(5)~~ 25 stems per acre greater than two inches (2") at ground line. \$75-00
\$90

- iv) More than ~~forty-percent-(40%)~~ of area occupied by woody vegetation greater than two inches (2") diameter at ground line; or more than ~~twenty-five-(5)~~ 25 stems per acre greater than two inches (2") diameter at ground line. \$150-00
\$180

C) This is limited to areas having undesirable vegetation ~~vegetative-growth~~ (such as grass sod, perennials and annual broadleaved plants and trees or shrubs ~~brush-of-no-economic value~~). These areas which will be replanted to desirable tree species.

D) Measures necessary to minimize erosion must be undertaken and plantings must be according to prescribed standards set forth in the approved Plan ~~forest-management-plan~~. Measures may include, but are not limited to, hand planting, machine planting on contour, establishment of temporary herbaceous cover, the use of herbicides for minimum disturbance of established cover and similar accepted practices as set forth in the approved Plan ~~forest-management-plan~~. Temporary herbaceous cover means oats, rye, wheat or similar grain.

E) Removal may be undertaken mechanically with machinery including all normal farm tillage implements, chopping or sawing. Herbicides may also be used with mechanical measures or to replace mechanical measures.

- 2) Tree Planting (Trees and Labor) - 75% of the actual cost not to exceed \$95 \$70 for no-cost planting stock or \$280 \$240 for purchased planting stock, ~~on-a~~ per acre basis.

A) Selected tree species and seed sources to be planted must be in accordance with the Plan ~~plan~~.

B) Plantings must be made in accordance with the Plan ~~plan~~. Trees must be firmly planted at the proper depth. Tree planting machines, augers or hand tools may be used.

C) At least 90% of the conifer stock must be not less than 3/32 inch in caliper at 1 inch above the root collar (nursery soil line). At least 90% of the hardwood stock shall be 7/32 inch caliper at 1 inch above the root collar (nursery soil line). In addition to the standards above, hardwood

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stock purchased from private nurseries shall be ordered from the 12-18 inch category as described in the nursery's catalog or other written description.

D) Spacing requirements are as follows:

- i) Plant seedlings Plantings-on-open-land-are-to-be-made 6 to 12 feet apart in rows 6 to 12 feet apart. Plant at least 436 trees No-less-than-435-or-more-than-1000 trees-are-to-be-planted per acre.
- ii) Interplantings within wooded areas are to be spaced 6 feet apart or more in openings which receive partial or full direct sunlight.
- iii) Variations in these spacing standards may be made in accordance with written recommendations approved by the District Forester. Cost-share for planting of less than 436 trees per acre will be prorated using 436 trees as the basis.

E) Stocking and replanting requirements:

- i) At least 300 of the planted trees, per acre, must be maintained throughout the practice lifespan.
- ii) Cost-share assistance for replanting will be available where losses are due to natural causes, such as, heat, drought, flood, hail, and similar occurrences, if 70% of a stand is not obtained, or if a stand deteriorates to less than 70% within two growing seasons.

3) Direct Seeding Component

The purpose of this practice is to extend limited supplies of plant materials and thereby to increase forestation.

- A) Direct seeding may be used in lieu of seedling planting, when approved by the District Forester as part of a Plan plan.
- B) As references for standards use: "Direct seeding of Southern Oaks - A PROGRESS REPORT", by Robert L. Johnson and Roger M. Krinard, Southern Hardwoods Laboratory, Stoneville, MS, Forest Service, USDA, (1988) (no-inter-editions-or amendments-are-included); and the guidelines offered in Silvics of Forest Trees of the United States (1974), Agriculture Handbook 271, Forest Service, USDA, Washington, DC 20250. (No later editions or amendments are included.)
- C) This cost-share practice may be attempted a second time if through no direct fault of the landowner (i.e., drought, tornado, etc.) fewer less than 300 150 seedlings of acceptable growing stock per acre survive after one full growing season.
- D) If, after 2 full growing seasons there are fewer less than 300 150 seedlings of acceptable growing stock per acre, no further attempts to direct seed shall be made. However, tree planting must may be done per rules--outlined-in subsection (C)(2).

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E) Cost-share Rate and Specifications

- i) This practice shall pay 85% of the owner's cost not to exceed \$95 \$60 per acre for seed collected or purchased plus labor and any machinery use.
 - ii) Seed shall be local source, within 25 miles of the seeding site. Or, if local seed is not available, seed shall be collected within an area described as 50 miles west of the Mississippi River, 50 miles north of the Illinois Wisconsin border, a north-south line extended along the eastern border of Ohio and 100 miles south of the Ohio River from-a-zone-within-100 miles-north-of-the-site-or-within-200-miles--south-of-the-site.
 - iii) Measures to protect seed from predator pilferage shall be required when predator pilferage is identified as a problem.
 - iv) Site preparation measures are best done before direct seeding. Additional treatments to introduce adequate sunlight and to reduce competition may be needed.
 - v) Overstory removal may be required following establishment of seedlings - saplings.
- 4) Control of Undesirable Vegetation With Herbicides or Mulching - 75% of the actual cost not to exceed \$40 \$25-00 per acre with herbicides 17 \$60 \$50 per acre with mulch.
- A) The practice is limited to plantings that conform to specifications cited in Section 1536.30.
 - B) Application of herbicides may be in either the liquid or granular form and may be pre-emergents or post-emergents or combinations of these types as approved by the District Forester. Application may be made as pre-plant, post-plant or at time of planting. If vegetation control is a component of the forestation practice, it must be completed to qualify for reimbursement for site preparation and planting. Treated bands for hardwoods shall be 4 feet, spot treatments shall be at least 12 square feet. For conifers minimum band width is 2 feet, and spots of 4 square feet.
 - C) Organic mulches may be used in combination with herbicides or in lieu of herbicides and must be used if required in the approved management Plan plan, to qualify for site preparation and planting payments. Minimum per seedling mulched area is 12 square feet with an initial depth of 4 inches. Mulched areas must be pretreated by removing existing vegetation to expose mineral soil prior to applying the mulch. Weed control fabric (cloth) can be used if at least 9 square feet is used around each seedling.
 - D) Herbicide or mulching applications must be made, if required in the Plan and included on the practice cost-share application plan, to qualify for site preparation and

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planting payments payment.

- E) Treatments for control of undesirable vegetation may with be cost-shared for a second and third application year as prescribed in the Plan and approved by the District Forester.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.40 Fencing to Protect Forests and Plantations

- a) The practice is limited to building permanent fences needed to exclude livestock protect-forest-stands.
- b) The distance between posts or live trees must not exceed 1 rod (16.5 feet). Limited use of live trees is permitted, provided 2" x 4" nailing strips of durable wood are used between the wire and the tree.
- c) No assistance will be given for boundary fences or fences adjacent to roads.
- d) Cost-Share Rates/Specification - The cost-share amounts vary by type of fence constructed; however, the rate will be 75% of actual cost not to exceed these limits:

- 1) A woven wire fence must consist of at least a 26 inch woven wire with at least two strands of barbed wire on top - \$12 \$11-00 per rod.
- 2) A barbed wire fence must be at least three strands - \$11 \$10-00 per rod.
- 3) If other fence materials are used, all weather wood or native lumber highly resistant to decay may be substituted for barbed wire if required for certain domestic animals - \$12 \$10-00 per rod.
- 4) A suspension fence will consist of at least four strands of barbed wire with the distance between posts not to exceed 100 feet and sufficient wire spacers to prevent sagging - \$5 \$4-50 per rod.
- 5) A high-tensile fence will consist of at least 6 strands of wire with the distance between posts not to exceed 100 feet with sufficient droppers to maintain proper wire spacing - \$9 \$7-50 per rod.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.50 Tending Forest Stands Improving a Stand-of-Forest-Trees

Profitable production for timber, wildlife mast, or aesthetics can and environmental-enhancement--will result from the application of proper methods of thinning or releasing of desirable crop trees--removal-of-residual-trees--in regeneration-harvest, and by cutting of designated vines attached to desirable

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crop trees. Thinning, vine removal and pruning are methods to increase growth rates of the best crop trees. Vines Some-vines not on crop trees shall be retained for wildlife benefit.

- a) Cost sharing will not be approved for area less-than one acre or larger.
- b) Improvement measures shall be carried out in such a manner as to improve or protect the quality of the environment, especially wildlife habitat, as described in the Plan.
- c) Cost-Share Rates/Specifications

- 1) Thinning/Crop Tree Release Improving-a-Stand-of-Forest-Trees - 75% of actual cost not to exceed \$45 \$41-00 per acre.

- A) The District Forester must give prior approval of the practice area, and-of the methods to be used based upon the density and condition of the trees, and the economic feasibility of the practice.

- B) Work shall be done by cutting, girdling, and herbicide treatment of the surplus, diseased, cull or weed trees and by cutting designated vines attached to desirable crop trees. Thinning should release desirable tree species so as to leave per acre an adequately stocked stand composed predominately of high ranked timber species, well distributed, as described in the Plan. Stocking guides and species rank shall be determined by use of the appropriate table in "Recommended Silviculture and Management Practices for Illinois Hardwood Forest Types", Illinois Technical Forestry Association (1972), Extension Forester, Illinois Cooperative Extension Service, University of Illinois, 110 Mumford Hall, Urbana, IL 61801 (no later editions or amendments are included).

- C) Croptree management practice guidelines will follow the recommendations provided by "Croptree Management in Eastern Hardwoods", NA-TP-19-93, USDA Forest Service, Arlyn Perkey, Morgantown, WV (no later editions or amendments are included).

- D) Herbicide treatment of stumps may be omitted when crop trees released are more than 20 feet tall. Herbicide treatment may also be omitted, if a double girdle is utilized. Double girdling shall be done only when stump sprouting will not be a serious problem. This method is described in Central Hardwood Notes, 6.10, August 1989 Northeastern Area, State and Private Forestry, USDA Forest Service. Both exceptions above must be approved in writing by the District Forester. All other FS treatment methods require use of approved herbicides.

- E) Harvesting practices and silvicultural systems as prescribed in the Plan must be followed.

- F) Cost-Share assistance will not be given for any acre from which commercial products are being sold or traded in the

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process of carrying out the timber stand improvement practices.

- 2) Pruning Crop Trees (side branch pruning) - 75% of actual cost not to exceed \$75 \$58-00 per acre.

A) The District Forester must give prior approval of the practice area. Crop trees must be marked or otherwise designated and the methods must be described in writing.

B) In coniferous stands, the trees must have a minimum total height of 18 feet. All dead branches and all live branches up to one-half the total height of the trees must be pruned. Pruning to a total height of 17 feet is required where the trees are tall enough to meet this requirement. Not more than 100 final coniferous crop trees per acre, well distributed throughout the stand will be considered in determining the cost-share payment.

C) In deciduous stands, pruning to total height of 17 feet is required where trees are tall enough to meet the requirement of 34 feet. Pruned trees shall retain 40% to 50% of total height as live crown. Deciduous stands must have attained a minimum height of 12 feet to effect a minimum pruning height of 6 feet. Not more than 100 well distributed desirable crop trees per acre shall be selected and fine hardwood (white and red oak, black walnut, etc.) species will be given prime consideration. In order to reduce the risk of decay, prune no live limbs over 3 inches in diameter.

D) All pruning must be as close to the stem as possible without disturbing the branch bark ridge and branch collar.

E) Corrective pruning to influence tree form may be required in the Plan; but such pruning shall not be cost-shared unless undertaken along with side branch pruning.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.60 Firebreaks to Protect Forests

The purpose of this practice is to provide a practical and low cost way of affording protection to forests from damage by wildfire.

a) The lower branches of trees adjacent to firebreaks must be pruned to increase the effectiveness of the practice.

b) Cost-Share Rates/Specifications

1) Firebreak construction - 75% of actual cost not to exceed \$1.50 per rod.

2) Firebreaks for the area shall be cleared to a minimum of 1 rod in width. (If erosion is a problem, place firebreaks on the contour, or construct the appropriate number of water bars to deflect flowing water.)

3) Firebreaks must be disced at least twice annually to keep

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vegetation from accumulating or as indicated in the Plan.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.65 Reducing Wildlife Damage

Wildlife damage control is necessary at times to protect the investment in tree planting, direct seeding, or natural regeneration.

a) This practice is limited to situations where the need for damage control is evident or highly probable based on wildlife population. Consultation with DNR #906 District Wildlife Biologists is advised.

b) In addition to cost-share practices, other strategies to control wildlife damage must be included in the Management Plan and must be implemented with the cost-share practice.

c) Strategies can include: Legal hunting, providing alternate habitats, planting of species not favored by a given wildlife species, eliminating mowing, or planting a companion species.

1) Tree shelters - 75% of the actual cost not to exceed \$150\$100 per acre. ~~The maximum number of tree shelters per acre is 257-4-foot tall shelters or a proportional number for other sizes.~~ The recommendation in the Plan as approved by the District Forester shall be followed. Requirements include:

A) Tree shelters shall be evenly distributed throughout each acre.

B) Shelters shall be maintained as installed for the life of the shelter or until they interfere with the growth of the tree. Shelters may be moved to other seedlings only if the original trees have died ~~tree-is-dead~~.

C) Durable rot resistant stakes must be used.

D) Nylon mesh caps or other approved barriers may be needed to prevent death of birds.

E) For protection from deer, 4 foot shelters meet minimum requirements.

E) 50 shelters per acre is the minimum.

2) Electric Fencing - 75% of the actual cost not to exceed \$0.50\$25 per foot. The purpose is to repel deer from forestation or natural regeneration sites, as follows:

A) VGR type fence wire, stainless steel enclosed in plastic is the preferred type. Other wire may be used, but must be marked with bright color at minimum intervals of 25 feet.

B) For maximum benefit the fence must be charged throughout the year so as to affect deer behavior.

C) The service life of the fence shall be determined in the Plan or by separate written prescription.

D) The fence should be installed prior to planting or at the time of planting to influence deer behavior.

3) Repellants - 75% of the actual cost not to exceed \$15\$5-00 per

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- acre to protect forestation or natural regeneration sites.
- A) Either scent or taste repellants may be used; the Plan shall prescribe specific types.
- B) Lable directions on approved products must be followed. Renewal applications must be made in a timely manner, per the label.
- C) The primary treatment shall be done by treatment of the central leader of the seedling.
- 4) Bud or Growing Point Protectors - 75% of the actual cost not to exceed \$5 per acre. Such devices as mesh netting, tubes, or bud caps may be used to protect seedling plants. Installation of such devices shall be according to the manufacturer's recommendations and the written prescription in the Plan.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.70 Site Preparation for Natural Regeneration

The purpose of this practice is to establish a stand of high value forest species through natural regeneration for timber production purposes and to protect and improve the environment. For guidelines on species preference, refer to the ITFA Guide, cited previously, in Section 1536.25(c).

- a) Cost-sharing is not authorized for areas of less than one acre.
- b) Cost-sharing is authorized for one additional regeneration treatment, by use of seed or seedlings on the area originally site prepared, if by uncontrollable circumstances, such as weather related problems, etc., natural regeneration fails to become established to the required stocking level.

c) Cost-Share Rates/Specification

- 1) Site preparation for natural regeneration - 75% 80% of actual cost not to exceed \$30, \$60, \$90, or \$180 \$25-\$50-\$75-\$95-\$110-\$150 per acre determined by the District Forester using the cost-share categories as described in Section 1536.30(c)(1)(B)(i) through (iv), as guidelines to determine an appropriate maximum cost-share amount.

- 2) The goal is to obtain a 60-80% stocking level whereby a minimum of 20% to 40% of the available light reaches the forest floor, and other site factors are modified to enhance regeneration, by means of: reduction or elimination of competing vegetation, including unmerchantable or undesirable trees and brush, discing or tillage, use of foliar, cut surface, injected herbicides, mechanical removal of shallow rooted species, prescribed burn, and other measures as prescribed in the Plan forest-management plan.

- 3) A complete written prescription, in the Plan plan or submitted as an addendum, must be approved by the District Forester prior to initiation of this practice. The prescription shall address the

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process outlined in "Regenerating Red Oaks" by Rod Jacobs, Silviculturalist, U.S. Forest Service, State and Private Forestry, St. Paul, Minnesota (1987) (no later editions or amendments are included). The prescription shall also address the "Elements of a Silvicultural Prescription" and the appropriate "Silvicultural Systems and Regeneration Methods" described in the "FORESTRY HANDBOOK" 2nd Edition, Edited by Karl F. Wenger, for the Society of American Foresters, 5400 Grosvenor Lane, Washington DC 20014 (1984) (no later editions or amendments are included).

- 4) Creation of suitable soil conditions for establishment of seedlings of desired species is particularly crucial for oak species. A reasonable expectation of seed deposition on the area to be regenerated must be imminent and abundant before site preparation is performed.

- 5) This practice should not be done more than 20 years prior to a scheduled regeneration cut.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.80 Appeal

- a) Any landowner timber-grower whose Plan plan or practice is not approved by the District Forester may appeal to the Regional Review Committee pursuant to 17 Ill. Adm. Code 2530. The Regional Review Committee is composed of the Regional Administrator, a District Forester from another district in the Region and the Forest Management Program Administrator Manager.

- b) The appeal must be made within 30 days from the date that the Plan plan or practice was disapproved by writing to the address in Section 1536.90.

- c) The Regional Review Committee will conduct a meeting to receive written and oral arguments of the applicant and to reconsider the Plan forest-management-plan and cost-share practices.

- d) The Regional Review Committee will notify the applicant in writing within 30 days after of the meeting date stating the reasons for which the original decision is upheld or reversed.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1536.100 Penalty

Each participant in this the State Cost-Share Program is responsible for complying with the terms and conditions on the agreement, and shall follow the provisions detailed in the Plan forest-management-plan. Refund of all cost-share payments made will be required if the agreement is not followed

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and/or the practice is not maintained for its minimum lifespan. Each practice carries a 10 year life span starting on the date the practice was completed and approved by the District Forester. Refund checks should be made payable to the Illinois Department of Natural Resources. Participants who refuse voluntary repayment will be subject to liens filed against their property or withholding of State payments by the Comptroller of Illinois.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Surface Mined Land Conservation and Reclamation Act
- 2) Code Citation: 62 Ill. Adm. Code 300
- 3) Section Number: Proposed Action:
300.210 Amend
300.220 Amend
300.225 Amend
- 4) Statutory Authority: Implementing and authorized by the Surface Mined Land Conservation and Reclamation Act [225 ILCS 715].
- 5) A complete description of the subjects and issues involved: The rules enable the Department to regulate blasting operations at aggregate mines that are located near landfills. Specifically, when the blast is within 500 feet of a landfill, aggregate mine operators are required to monitor blasts, to maintain records that include the distance and scaled distance of a landfill and to conduct the blasting in order to control ground vibrations not to exceed five inches per second, at the closest part of the landfill.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: The proposed amendments will have no impact upon local units of government

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days after the publication of this notice to:

Cindy Bushur-Hallam, Legal Counsel
Illinois Department of Natural Resources
524 South Second Street
Springfield, IL 62701
217/782-1809

Commenters must provide a name and address. Comments must be directed to a specific subsection and must be made on a separate sheet of 8 1/2 x 11 inch paper.

Comments may include data, views, arguments or any documents relevant to the proposals noted above in the Description of Subjects and Issues

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involved. All comments are due at the above address no later than 5:00 p.m. on March 23, 1998. Comments received thereafter will not be considered in this rulemaking.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: The proposed amendments will have no impact on small municipalities or not for profit corporations.

B) Reporting, bookkeeping or other procedures required for compliance:
None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

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TITLE 62: MINING
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES

PART 300

SURFACE MINED LAND CONSERVATION AND RECLAMATION ACT

Section	
300.10	Introduction
300.20	Permits
300.30	Fees
300.40	Bonds
300.50	Permit Application Requirements
300.60	Role of County Government in Reclamation
300.70	Departmental Consideration of Reclamation Plans
300.80	Public Filing of Approved Plans
300.90	Amendments to Permits
300.100	Reclamation Planning
300.110	General Reclamation Requirements
300.120	Criteria For Types of Land Reclamation
300.130	Reclamation of Gob Disposal Areas and Outside Slopes of All Overburden Deposition Areas
300.140	Reclamation of Slurry Pond Disposal Areas
300.150	Water Impoundment Structures
300.160	Affected Acreage Map
300.170	Violations and Forfeiture
300.180	Bond Release Procedure
300.200	Scope
300.205	Purpose
300.210	Definitions
300.215	General Requirements
300.220	Monitoring
300.225	Use of Explosives; Control of Adverse Effects
300.230	Use of Explosives; Blasting Signs, Warnings and Access Control
300.235	Training
300.236	Examination
300.237	Application and Licensure
300.238	Fees
300.239	Denial, Issuance of Notice of Infraction, Suspension, Revocation and Other Administrative Actions
300.245	Notices of Violation
300.246	Cessation Orders
300.247	Office of Mines and Minerals Decision
300.248	Hearings
300.249	Temporary Relief
300.250	Subpoenas
ILLUSTRATION A	Tree Sampling Procedure
ILLUSTRATION B	Typical Sections

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AUTHORITY: Implementing and authorized by the Surface Mined Land Conservation and Reclamation Act [225 ILCS 715].

SOURCE: Adopted January 6, 1976; codified at 8 Ill. Reg. 4507; amended at 14 Ill. Reg. 3548, effective February 22, 1990; amended at 20 Ill. Reg. 9546, effective July 1, 1996; recodified from the Department of Mines and Minerals to the Department of Natural Resources at 21 Ill. Reg. 16192; amended at 22 Ill. Reg. _____, effective _____.

NOTE: In this Part, superscript numbers or letters are denoted by parentheses; subscript are denoted by brackets.

Section 300.210 Definitions

"Airblast" (also known as "air overpressure") means airborne waves resulting from the detonation of explosives. Airblast may be caused by burden movement or the release of expanding gas into the air. Airblast may or may not be audible.

"Act" means the Surface Mined Land Conservation and Reclamation Act [225 ILCS 715].

"Authorized Representative of the Department" means an employee of the Illinois Department of Natural Resources, Office of Mines and Minerals, qualified to conduct on-site inspections of blasting operations in order to determine compliance with these regulations.

"Blast" means the detonation of explosives by an operator for a mineral extraction operation.

"Licensed Blaster" means the person authorized to oversee and approve blasting operations on a blasting site.

"Blasting Zone" means any area within the operation that is designated in writing by the operator to the Department as being the area within which blasting operations will be conducted.

"Blasting Operations" means the process of shot design, layout, drilling, loading, detonation and recordkeeping.

"Burden" means the distance from an explosives charge to the nearest free or open face at the time of detonation of each hole.

"Continuing Violation" means a violation of these rules that is ongoing and unabated at the time of inspection.

"Cube Root Scaled Distance" means the distance, in feet, from the blast to a specific location, divided by the cube root of the maximum

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weight of explosives, in pounds, to be detonated in any eight (8) millisecond period.

"Decibel" means the unit of sound overpressure commonly used to measure airblast from the detonation of explosives. It is also measured in pounds per square inch (p.s.i.), and is defined in terms of the overpressure by the equation:

$$db = 20 \log P/P[0]$$

where:

db = sound level in decibels

P = measured overpressure in p.s.i. (lbs./in.(2))

P[0] = 2.9 x 10⁻⁹ p.s.i. (lbs./in.(2))

The decibel scale is logarithmic.

"Department" means the Illinois Department of Natural Resources.

"Director" means the Director of the Illinois Department of Natural Resources.

"Earth Liners" means structures constructed from naturally occurring soil material that has been compacted to achieve a low permeability.

"Explosives" means any chemical mixture that reacts at high velocity to liberate gas and heat, causing very high pressures.

"Geomembrane" means manufactured membrane liners and barriers of low permeability used to control the migration of fluids or gases.

"Inert Waste" means any solid waste that will not decompose biologically, burn, serve as food for vectors, form a gas, cause an odor, or form a contaminated leachate, as determined in accordance with 35 Ill. Adm. Code 811.202(b). Such inert wastes shall include only non-biodegradable and non-putrescible solid wastes. Inert wastes may include, but are not limited to, bricks, masonry and concrete (cured for 60 days or more).

"Landfill" means a facility permitted by the Illinois Environmental Protection Agency for the disposal of waste on land meeting the requirements of the Resource Conservation and Recovery Act, P.L. 94-580, and regulations thereunder, and without creating nuisances or hazards to public health or safety, by confining the refuse to the smallest practical volume and covering it with a layer of earth at the conclusion of each day's operation, or by such other methods and intervals as the Illinois Pollution Control Board may provide by

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regulation.

"Office of Mines and Minerals" means the subdivision of the Department of Natural Resources charged with regulating the use of explosives in non-coal mineral extraction operations pursuant to P.A. 89-26, enacted June 23, 1995.

"Operation" means the property limits of any non-coal mineral extraction operation.

"Operator" means the person having the right to enter upon the operation for the purpose of mineral extraction.

"Particle Velocity" is a measure of ground vibration which describes the velocity at which a particle of ground moves when excited by a seismic wave.

"Person" means any individual, partnership, corporation or other legal business entity.

"Protected Structure" means any dwelling, public building, school, church or commercial or institutional building. Protected structures do not include:

Structures owned by the person conducting the blasting activity; and

Structures subject to a waiver from the Department's airblast and ground vibration requirements granted to the person conducting the blasting activity.

"Scaled Distance" means the distance, in feet, from the blast to a specified location, divided by the square root of the maximum weight of explosives, in pounds, to be detonated in any eight (8) millisecond period.

"Stemming" is inert material (usually crushed stone) that is placed above the explosives column, or vertically between columnar decks of explosives in a blast hole.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 300.220 Monitoring

a) Duties of the Operator

- 1) When the scaled distance has a value less than ~~sixty-five~~ ⁶⁵ at the closest protected structure, the operator shall make a

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seismographic recording and airblast recording at or near that structure.

- 2) When any blast is within 500 feet of a landfill, the operator shall make a seismograph recording at or near the closest part of the landfill to the blast. This requirement shall not apply if a protected structure is located between the blast and the landfill or if an alternative compliance method has been approved by the Department in accordance with Section 300.225(f).

- 3) When the cubed root scaled distance to the nearest protected structure has a value less than 350 and when the burden to hole depth ratio is greater than 1.0, or the top stemming height is less than ~~seventy-percent~~ ^{70%} of the burden dimension, the airblast produced by the blast shall be measured at or near the closest protected structure. ~~Recorded, analyzed, and reported pursuant to subsections (a)(3)(A) and (a)(3)(B) below.~~ This subsection shall not apply to horizontal blast holes drilled from the floor of the pit.

- 4) The operator shall maintain blasting records as follows:

- A) A record of each blast shall be made, retained by the operator for at least three (3) years and made available for inspection by the Department. Records of blasts conducted since the Department's last inspection, or copies of such blasting records, shall be made available at the operation for inspection by the Department. The record is to be completed by the end of the work day following the day in which the blast occurred, including the seismograph meter reading, if available, and shall contain the following data:
 - i) Name of the operator conducting the blast.
 - ii) The location, date and time of the blast. If necessary to enforce the purposes of these regulations, the Department may require that the location of the blast be indicated as a point on a state plane coordinate system.
 - iii) Name, signature and licensure number of the licensed blaster responsible for the blast.
 - iv) Type of material blasted.
 - v) Number of holes, burden and spacing.
 - vi) Diameter and depth of holes.
 - vii) Type of explosives used.
 - viii) Total weight of explosives used.
 - ix) Weight of explosives used per hole.
 - x) Maximum weight of explosives detonated within any eight (8) millisecond period.
 - xi) Maximum number of holes or decks detonated within any eight (8) millisecond period.
 - xii) Initiation system, including number of circuits and the timer interval, if a sequential timer is used.
 - xiii) Type and length of stemming (deck and top).

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- xiv) Type of detonator and delay periods used, in milliseconds.
- xv) Sketch of delay pattern, including decking.
- xvi) Distance and scaled distance to the closest protected structure, using the best available information.
- xvii) Location or address of the closest protected structure, using the best available information.
- xviii) Distance and scaled distance to the closest part of any landfill within 500 feet of the blast.

B) Air blast and/or ground vibration recordings, or photographic copies thereof, where required by the Department, shall be kept for a period of three (3) years following the date of the blast, and shall be available for inspection by the Department. Records of blasts conducted since the Department's last inspection, or copies of such blasting records, shall be made available at the operation for inspection by the Department. The recordings shall include the following information:

- i) Maximum airblast and/or ground vibration levels recorded.
- ii) The specific location of the monitoring equipment, its distance from the blast and the date and time of the recording.
- iii) Name of the person and firm making the recording.
- iv) Name of the person and firm analyzing the recordings. The recording shall be signed and dated by the person performing the analysis.

v) The type of instrument, sensitivity and calibration signal or certification date of annual calibration.

C) As used herein, "seismographic recording", or "record of airblast recording", or "record" shall mean a visually inspectable cartesian representation of the time history of the particle velocity levels or airblast levels versus time. The particle velocity is shown by three traces representing mutually perpendicular components of motion. The components are oriented vertically, transversely and longitudinally to the horizontal direction from the recording location to the location of the blast. The airblast time history is represented by a single trace. The record or recording includes either an analog representation, or a written description, of the vertical scale for the particle velocity traces and the airblast trace. The units for the particle velocity traces and scale are in inches per second. The units for the airblast trace and scale are millibars, pounds per square inch, or decibels. The recording shall also include an analog or descriptive time scale. The time units are in seconds.

b) Duties of the Department

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- 1) The Department shall conduct seismographic monitoring at any operation at such times and conditions as the Department deems appropriate.
- 2) The Department shall conduct inspections of the operation as follows:

A) Randomly without notice twice per year.

B) At such other times and conditions as the Department deems appropriate.

C) Less frequently than twice per year at operations where blasting is not regularly conducted.

3) All Department employees conducting official business shall inform the operator or the operator's designated representative, if either is present, upon arrival to and departure from the operation.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 300.225 Use of Explosives: Control of Adverse Effects

a) Blasting shall be conducted to prevent injury to persons and damage to public or private property outside the blasting zone.

b) Airblast limits

1) Airblast shall be controlled so that it does not exceed the values specified below at any protected structure, unless such structure is owned by the person who conducts the surface mining activities and is not leased to any other person. If a building owned by the person conducting surface mining activities is leased to another person, the lessee may sign a waiver relieving the operator from meeting the airblast limitations of this subsection. The waiver shall be submitted to the Department before conducting blasting operations in accordance with the terms of the waiver.

Lower frequency limit of measuring system, Hz + 3dB	Maximum level in dB
0.1 Hz or lower--flat response	134 peak
2.0 Hz or lower--flat response	133 peak
6.0 Hz or lower--flat response	129 peak

2) The measuring systems used shall have a flat frequency response of at least ~~two-hundred-~~ 200 Hz at the upper end.

3) The person who conducts blasting may satisfy the provisions of this subsection (b) by meeting any of the three (3) specifications in the chart in subsection (b)(1).

4) To ensure compliance with the limits contained in this Section, the Department may require an airblast measurement of any or all

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blasts, and may specify the location of such measurements.

- c) Flyrock
Flyrock, including blasted material traveling in the air or along the ground, but excluding dust and detonation by-products, shall not be cast beyond the blasting zone.

d) Ground vibration limits

1) In all blasting operations, except as otherwise authorized in this Section, the maximum peak particle velocity shall not exceed one (1) inch per second at the location of any protected structure, unless such structure is owned by the person who conducts the surface mining activities and is not leased to any other person. If a building owned by the person conducting surface mining activities is leased to another person, the lessee may sign a waiver relieving the operator from meeting the ground vibration limitations of this subsection. The waiver shall be submitted to the Department before conducting blasting operations in accordance with the terms of the waiver.

2) In addition to the requirements in subsection (d)(1) above, when any blast is within 500 feet of a landfill, the blasting shall be conducted in order to control ground vibrations not to exceed five inches per second, at the closest part of the landfill. Blast monitoring shall comply with Section 300.220(a)(2). The ground vibration limit shall not apply to the following: a landfill in the process of being mined through; mining activities associated with the construction of a landfill; a landfill containing only inert waste; or a landfill or any cell of a landfill that does not contain a geomembrane or earth liner.

- e) When the scaled distance has a value less than ~~sixty-five~~ 65 at the nearest protected structure, a seismograph recording shall be made at or near that structure. To ensure compliance with the limits contained in this Section, the Department may require a seismograph recording of any or all blasts and may specify the location at which such recordings are made.

f) In lieu of the ground vibration limit(s) limit in subsection (d) above, the operator may submit a written request to the Department to use an alternative compliance method. Such written request must be supported by sufficient technical information, which may include, but is not necessarily limited to, documented approval of such method by agencies in other states which regulate blasting operations at coal and/or non-coal mineral extraction operations. Upon submittal by the operator of a request to use an alternative compliance method, the Department shall issue a written determination as to whether the technical information submitted provides sufficient justification for the alternative method to be used as a means of demonstrating compliance.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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1) Heading of the Part: White-Tailed Deer Hunting By Use of Bow and Arrow

2) Code Citation: 17 Ill. Adm. Code 670

3) Section Numbers: Proposed Action:
670.30 Amendments
670.40 Amendments
670.60 Amendments

4) Statutory Authority: Implementing and authorized by Sections 1.2, 1.3, 1.4, 2.1, 2.2, 2.24, 2.25, 2.26, 2.33, 3.5, and 3.36 of the Wildlife Code [520 ILCS 5/1.2, 1.3, 1.4, 2.1, 2.2, 2.24, 2.25, 2.26, 2.33, 3.5 and 3.36].

5) A Complete Description of the Subjects and Issues Involved: This Part is being amended to add language clarifying that broadheads may have "expandable" blades, with a minimum of 7/8 inch when fully opened; allow the use of fling-, chert-, or obsidian-knapped broadheads; open additional sites to hunting; add language indicating that no hunter may harvest more than 2 antlered deer a year, including by archery, muzzleloader and firearm; and add site-specific information.

6) Will this rulemaking replace any emergency rulemaking currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed amendments may be submitted in writing for a period of 45 days following publication of this notice to:

Jack Price
Department of Natural Resources
524 S. Second Street
Springfield IL 62701-1787
217/782-1809

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for

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profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rule was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 17: CONSERVATION

CHAPTER I: DEPARTMENT OF NATURAL RESOURCES

SUBCHAPTER b: FISH AND WILDLIFE

PART 670

WHITE-TAILED DEER HUNTING BY USE OF BOW AND ARROW

Section

- 670.10 Statewide Open Seasons and Counties
 670.20 Statewide Deer Permit Requirements
 670.21 Deer Permit Requirements - Landowner/Tenant Permits
 670.30 Statewide Legal Bow and Arrow
 670.40 Statewide Deer Hunting Rules
 670.50 Rejection of Application/Revocation of Permits
 670.55 Reporting Harvest
 670.60 Regulations at Various Department-Owned or -Managed Sites

AUTHORITY: Implementing and authorized by Sections 1.2, 1.3, 1.4, 2.1, 2.2, 2.24, 2.25, 2.26, 2.33, 3.5 and 3.36 of the Wildlife Code [520 ILCS 5/1.2, 1.3, 1.4, 2.1, 2.2, 2.25, 2.26, 2.25, 2.26, 2.33, 3.5 and 3.36].

SOURCE: Adopted at 5 Ill. Reg. 8888, effective August 25, 1981; codified at 5 Ill. Reg. 10641; emergency amendment at 5 Ill. Reg. 11402, effective October 14, 1981, for a maximum of 150 days; emergency expired March 13, 1982; amended at 6 Ill. Reg. 10721, effective August 20, 1982; emergency amendment at 6 Ill. Reg. 15581, effective December 14, 1982, for a maximum of 150 days; emergency expired May 13, 1983; amended at 7 Ill. Reg. 10790, effective August 24, 1983; amended at 8 Ill. Reg. 19004, effective September 26, 1984; amended at 9 Ill. Reg. 14317, effective September 9, 1985; amended at 10 Ill. Reg. 16658, effective September 22, 1986; amended at 11 Ill. Reg. 2275, effective January 20, 1987; amended at 12 Ill. Reg. 12042, effective July 11, 1988; amended at 13 Ill. Reg. 12839, effective July 21, 1989; amended at 14 Ill. Reg. 14787, effective September 4, 1990; amended at 14 Ill. Reg. 19859, effective December 3, 1990; amended at 15 Ill. Reg. 10021, effective June 24, 1991; amended at 15 Ill. Reg. 16691, effective October 31, 1991; amended at 16 Ill. Reg. 11116, effective June 30, 1992; amended at 17 Ill. Reg. 286, effective December 28, 1992; amended at 17 Ill. Reg. 13452, effective July 30, 1993; amended at 18 Ill. Reg. 5842, effective April 5, 1994; amended at 19 Ill. Reg. 7560, effective May 26, 1995; amended at 19 Ill. Reg. 15411, effective October 26, 1995; amended at 20 Ill. Reg. 6723, effective May 6, 1996; amended at 21 Ill. Reg. 5561, effective April 19, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 670.30 Statewide Legal Bow and Arrow

- a) The only legal hunting devices to take, or attempt to take, deer are: a long, recurved, or compound bow with minimum pull of 40 pounds at some point within a 28-inch draw; ~~an arrow with a minimum length of~~

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- 26-inches-and-with-a-metal-barbless-broadhead-that-cannot-pass-through a-7/8-inch-diameter-hole-is-the-only-legal-arrow. Minimum arrow length is 20 inches, and broadheads must be used. Broadheads may have fixed or expandable blades, but they must be barbless and have a minimum 7/8 inch diameter when fully opened. Broadheads with fixed blades must be metal or flint-, chert-, or obsidian-knapped; broadheads with expandable blades must be metal. All other bows and arrows, including electronic arrow tracking systems, are illegal.
- b) A crossbow device is illegal except as provided by Section 2.26 of the Wildlife Code (410--Rev--Stat--1997--Ch--61--Par--2-26) [520 ILCS 5/2.26]. It is unlawful to carry any firearm or sidearm while hunting deer with a bow and arrow.
- c) Any mechanical device capable of maintaining a drawn or partially drawn position on a bow without the hunter exerting full string tension is illegal, except as noted in subsection (b) above.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 670.40 Statewide Deer Hunting Rules

- a) The bag limit is one deer per legally authorized either-sex, antlered-only or antlerless-only permit. All either-sex permits and antlered-only permits are subject to the following restriction: no hunter, regardless of the quantity or type of permits in his/her possession, may harvest more than 2 antlered deer during a year, including the archery, muzzleloader and firearm seasons. For purposes of this subsection, deer seasons are considered to be in the same year if their opening dates fall within the same 12-month period that begins on July 1 the archery-season. A hunter in possession of an either-sex permit after having harvested 2 antlered deer during a year, as defined above, the archery-season may only use the permit to harvest an antlerless deer. Subject to this restriction, an either-sex permit holder is allowed to take a deer with or without antlers; and an antlered-only permit holder is allowed to take only a deer having at least one antler of a length of 3 or more inches. An antlerless-only permit holder is allowed to take only a deer without antlers or a deer having antlers less than 3 inches long.
- b) Recipients of the single either-sex or landowner/tenant Archery Deer Hunting Permit shall record their signature on the permit and must carry it on their person while hunting. Holders of combination OTC permits shall record their name and address on the check station tag portions of their permit and must carry it on their person while hunting.
- c) The temporary harvest tag shall be attached and properly sealed immediately upon kill and before the deer is moved, transported or field dressed. No person shall leave any deer tag that has been killed without properly attaching the temporary harvest tag to the deer.

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The temporary harvest tag should be attached around the base of the antler of antlered deer (antlers 3 or more inches in length), and attached to the leg of antlerless deer (<3 inch antler length, or no antlers). A permanent harvest tag will be attached to the leg of the deer upon check out at the check station. If the head/antlers are delivered to a taxidermist for processing, the temporary harvest tag must accompany them and be kept with the head/antlers while at the taxidermist. If the carcass is taken to a meat processor, the permanent harvest tag must remain attached to the leg of the deer until it is processed, then must remain with the processed deer until it is at the legal residence of the person who legally took or possessed the deer. Persons delivering deer/parts of deer to a tanner for processing must supply the tanner with their deer permit number to verify lawful acquisition. In the absence of a permit number, the tanner may rely on the written certification of the person from whom the deer was received that the specimen was legally taken or obtained. Hunters shall not have in their possession, while in the field during archery deer season, any deer permit issued to another person (permits are non-transferable).

d) Permits will not be re-issued in cases involving deer taken which are found to be diseased or spoiled due to previous injury. Legal disposal of unfit deer taken shall be the responsibility of the hunter.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 670.60 Regulations at Various Department-Owned or -Managed Sites

- a) All the regulations in 17 Ill. Adm. Code 510 (General Hunting and Trapping) apply in this Section, unless this Section is more restrictive.
- b) Only one tree stand is allowed per deer permit holder. Tree stands must comply with restrictions listed in 17 Ill. Adm. Code 510.10(c)(3) and must be portable. Tree stands must be removed at the end of each day with the exception that tree stands may be left unattended from September 15 through January 31 at those sites listed in this Section that are followed by a (1).
- c) Check-in, check-out, and reporting of harvest is required at those sites listed in this Section that are followed by a (2).
- d) Where standby hunters are used to fill quotas, a drawing will be held at sites indicated by a (3).
- e) Only antlerless deer or antlered deer having at least four points on one side may be harvested at those sites listed in this Section that are followed by a (4).
- f) Only antlerless deer or antlered deer having at least five points on one side may be harvested at those sites listed in this Section that are followed by a (5).

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g) Statewide regulations shall apply at the following sites:

- Argyle Lake State Recreation Area (2)
- * Anderson Lake Fish and Wildlife Area (2)
- Apple River Canyon State Park (2)
- * Banner Marsh Fish and Wildlife Area (2)
- Beall Woods State Park (antlerless deer only; hunting hours legal opening until 10:00 a.m.; check out by 11:00 a.m.) (1) (2)
- * Big Bend State Fish and Wildlife Area (1) (2)
- Big River State Forest (2)
- Cache River State Natural Area (1) (2)
- Campbell Pond Fish and Wildlife Area (1) (2)
- Carlyle Lake Lands and Waters (Corps of Engineers managed lands)
- Carlyle Lake Wildlife Management Area (except subimpoundment area is closed seven days prior to and during the regular waterfowl season)
- Castle Rock State Park (1) (2)
- Crawford County Conservation Area (1) (2)
- Cypress Creek National Wildlife Refuge
- Cypress Pond State Natural Area (1) (2)
- Dixon Springs State Park (1) (2)
- Dog Island Wildlife Management Area (1) (2)
- * Eldon Hazlet State Park (north of Allen Branch and West of Peppenhorse Branch only) (2)
- Ferne Clyffe State Park (1) (2)
- Fort de Chartres State Historic Site (1) (2)
- Fort Massac State Park (1) (2)

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- * Franklin Creek State Park (2)
- Giant City State Park (1) (2)
- Goose Lake Prairie State Park (tree stands not allowed; "Texas" type tripod stands allowed; antlerless deer only) (2) (3)
- Heidecke State Fish and Wildlife Area (2) (3) (5)
- Horseshoe Lake Conservation Area - Alexander County (Controlled Goose Hunting Area - open from October 1-31 ~~to until 25-days prior to the opening of the Quota-Hone-Goose-Season~~; reopens with the close of the Quota Zone goose season through statewide closing; remainder of the Public Hunting Area open during statewide season) (1) (2)
- I-24 Wildlife Management Area (1) (2)
- * Jubilee College State Park (2) (4)
- Kaskaskia River Fish and Wildlife Area (1) (2), except south of Highway 154 and north of Highway 13)
- Kidd Lake State Natural Area (1)
- Kinkaid Lake Fish and Wildlife Area (1) (2)
- Lowden-Miller State Forest (1) (2) (4)
- Mackinaw River Fish and Wildlife Area (1) (2)
- Marseilles Wildlife Area (closed Friday, Saturday, and Sunday in October) (1) (2)
- Marshall Fish and Wildlife Area (2)
- Mississippi Fish and Waterfowl Management Area - Pools 25 and 26
- Mississippi River Pool 16 (1)
- Mississippi River Pools 17, 18 (1)
- Mississippi River Pools 21, 22, 24 (1)
- * Mt. Vernon Propagation Center (1) (2)
- Oakford Conservation Area

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- Panther Creek Conservation Area (1) (2) (4)
- * Peabody River King State Fish and Wildlife Area (East and North subunits close November 1) (1) (2)
- Pere Marquette State Park (area east of Graham Hollow Road) (1) (2)
- Pyramid State Park (1) (2)
- * Randolph County Conservation Area (1) (2)
- Ray Norbut Conservation Area (2)
- * Red Hills State Park (1) (2)
- Rend Lake State Fish and Wildlife Area
- Rice Lake Fish and Wildlife Area (2)
- Saline County Fish and Wildlife Area (1) (2)
- * Sam Parr State Park (1) (2)
- Sangamon County Conservation Area
- Sangamon County Wildlife Area (1)
- * Shabbona Lake State Park (2)
- Siloam Springs State Park (1) (2) (4)
- * Silver Springs State Park (2)
- Tapley Woods State Natural Area (1) (2)
- Trail of Tears State Forest (1) (2)
- Turkey Bluffs Fish and Wildlife Area (1) (2)
- Union County Conservation Area (Controlled Goose Hunting Area - open from October 1-31 until 25 days prior to the opening of the Quota Zone goose season; reopens with the close of the Quota Zone goose season through statewide closing) (1) (2)
- Walnut Point Fish and Wildlife Area (1)
- * Washington County Conservation Area (deer bowhunters must wear a

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- cap and upper outer garment with at least 400 square inches of solid blaze orange between 9:00 a.m. and 3:00 p.m. on days when upland game hunting is allowed during the site's controlled hunting season) (1) (2)
- Weinberg-King State Park (2)
- Wildcat Hollow State Forest (1)
- Witkowsky State Wildlife Area (opens October 15) (2)
- h) Statewide regulations shall apply at the following sites except that hunter quotas shall be filled by mail-in drawing:
- Beaver Dam State Park
- Goose Lake-Prairie-State-Park-(designated-areas-only)
- Horseshoe Lake State Park (Madison County) (hunting in designated areas only; hunting will close at end of regular duck season) (1) (2)
- Pere Marquette State Park (hunting in designated camp areas only; season begins the first weekday after camps close)
- Rend Lake State Fish and Wildlife Area (designated area on refuge only, designated dates between October 1-October 31, 1996)
- Union-County-Conservation-Area--(designated-areas-only)-(first 3-day-Friday-Saturday-and-Sunday-weekend-in-October)
- i) State regulations shall apply except that hunters must obtain a free permit from the site office. This permit must be in possession while hunting and must be returned, and harvest reported, to the address indicated on the card before February 15. Failure to return the permit shall result in loss of hunting privileges at that site for the following year.
- Chauncey Marsh State Natural Area (permit obtained at Red Hills State Park headquarters) (1)
- Clinton Lake State Recreation Area (except Inner-Peninsula) (1)
- Coffeen Lake State Fish and Wildlife Area
- Des Plaines Conservation Area (closed to archery deer hunting during the site's upland game hunting season) (2)

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Des Plaines Game Propagation Center (2)

- * Eagle Creek State Park (4)

East Conant Field (1) (4)

Fox Ridge State Park (1)

Hamilton County Conservation Area (1)

Harry "Babe" Woodyard State Natural Area (1) (4)

Hidden Springs State Forest (1)

Joliet Army Ammunition Plant (an additional \$15 fee will be assessed upon registration; additionally, wheelchair accessible blinds are available and will be allocated on a first come-first served basis until 12 noon to hunters with a Class P2A disability card) (2)

Kankakee River State Park (deer bowhunters must wear a cap and upper outer garment with at least 400 square inches of solid blaze orange between 9:00 a.m. and 3:00 p.m. on days when upland game hunting is allowed during the site's controlled hunting season. Additionally, a limited hunting opportunity for persons with disabilities exists at the Davis Creek Bike Trail Area. Disabled hunters, as defined in 520 ILCS 5/3.1(c), may register to hunt at the site office and must sign in and out daily. Disabled hunters are required to hunt with a non-disabled partner who may also hunt from predetermined locations during disabled hunting season (the day after the first firearm deer season as set forth in 17 Ill. Adm. Code 650.10 to December 24))

Kickapoo State Park (1)

~~Little Vermilion~~ (1) (4)

Maitino State Fish and Wildlife Area (1)

Mermet Lake Conservation Area (1) (2)

Middle Fork Fish and Wildlife Area (1)

- * Mississippi Palisades State Park (November 1 through December 31) (closed during the first firearm deer season) (1)

Newton Lake Fish and Wildlife Area (check deer at site office)

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- * Pekin Lake Fish and Wildlife Area (1)

Ramsey Lake State Park (1)

Sam Dale Lake Conservation Area (1)

Sand Ridge State Forest (1)

- * Sangchris Lake State Park (an antlerless deer must be taken before an antlered deer is harvested) (1) (5)

Sato Field (1) (4)

Shelbyville Wildlife Management Area (1)

Site M (1) (4)

Snake Den Hollow Fish and Wildlife Area (October 1 through start of the central zone goose season)

- * Spring Lake Fish and Wildlife Area (1)

Stephen A. Forbes State Park (1)

Ten Mile Creek Fish and Wildlife Area (areas designated as refuge are closed to all access during Canada goose season only) (1); Belle Rive Unit only (4)

~~Wtkowsky State Wildlife Area~~ (1)

- j) Statewide regulations shall apply except that no hunting is permitted Wednesday through Sunday of the site's permit pheasant season.

Chain O'Lakes State Park (season opens Monday prior to opening of permit pheasant hunting season and closes Tuesday following the close of the permit pheasant hunting season; Tuesday hunting hours close at 2:00 p.m. and hunters must check out by 3:00 p.m. Season reopens on December 26 till close of regular season)

Green River State Wildlife Area (1) (2)

Iroquois County Conservation Area (2)

Johnson Sauk Trail State Park

Moraine View State Park (1)

Wayne Fitzgerald State Recreation Area (no bowhunting during

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controlled hunts as posted at the site) (1) (2)

k) ~~Statewide regulations shall apply at the following sites--except--that hunter quotas are filled by mail-in drawing--Only antlerless deer may be taken--First 50 hunters to harvest a doe will be granted automatic selection for first 50 openings in the next year's hunt.~~

~~Elinton--Lake--(inner-Penninsula-and-Mascoutin-areas-only)-(1)-(2)~~
~~(3)~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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1) Heading of the Part: White-Tailed Deer Hunting By Use of Firearms

2) Code Citation: 17 Ill. Adm. Code 650

Section Numbers:	Proposed Action:
650.10	Amendment
650.20	Amendment
650.21	Amendment
650.22	Amendment
650.23	Amendment
650.40	Amendment
650.50	Amendment
650.60	Amendment
650.65	Amendment
650.67	Amendment

4) Statutory Authority: Implementing and authorized by Sections 1.3, 1.4, 1.13, 2.24, 2.25, 2.26 and 3.36 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 1.13, 2.24, 2.25, 2.26 and 3.36].

5) A Complete Description of the Subjects and Issues Involved: Amendments include updating application procedures including: removing language stating only one choice of hunt area or county will be considered and adding language allowing hunters to specify a second choice of hunt county or special site on their application; changing the First Random Daily Drawing period for permits to a single lottery drawing; allowing applicants during the second drawing period to apply for permits as a group (maximum of 6 hunters/groups); changing the first day of the September Random Daily Drawing Period (the third application period) from September 1 to the first working day after September 14; adding language indicating that hunters, regardless of the quantity or type of permit in their possession, may not harvest more than 2 antlered deer during a year, including the archery, muzzleloader, and firearm seasons; adding language indicating that either-sex permit holders are allowed to take a deer with or without antlers, and an antlered-only permit holder is allowed to take only a deer having at least one antler of a length of 3 or more inches; adding and deleting sites open to hunting; and changing deer hunting programs at several sites.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
 No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

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10) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed rulemaking may be submitted in writing for a period of 45 days following publication of this notice to:

Jack Price
Department of Natural Resources
524 S. Second Street
Springfield IL 62701-1787
217/782-1809

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

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TITLE 17: CONSERVATION
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER b: FISH AND WILDLIFE

PART 650

WHITE-TAILED DEER HUNTING BY USE OF FIREARMS

Section	
650.20	Statewide Deer Permit Requirements
650.21	Deer Permit Requirements - Landowner/Tenant Permits
650.22	Deer Permit Requirements - Special Hunts
650.23	Deer Permit Requirements - Group Hunt
650.30	Statewide Firearms Requirements
650.40	Statewide Deer Hunting Rules
650.50	Rejection of Application/Revocation of Permits
650.60	Regulations at Various Department-Owned or -Managed Sites
650.65	Youth Hunt
650.67	Special Hunts for Disabled Hunters
650.70	Special Extended Season Firearm Deer Hunt (Repealed)

AUTHORITY: Implementing and authorized by Sections 1.3, 1.4, 1.13, 2.24, 2.25, 2.26 and 3.36 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 1.13, 2.24, 2.25, 2.26 and 3.36].

SOURCE: Adopted at 5 Ill. Reg. 9771, effective September 17, 1981; codified at 5 Ill. Reg. 10640; amended at 6 Ill. Reg. 10730, effective August 20, 1982; amended at 7 Ill. Reg. 10798, effective August 24, 1983; amended at 8 Ill. Reg. 21602, effective October 23, 1984; amended at 9 Ill. Reg. 16213, effective October 10, 1985; emergency amendment at 9 Ill. Reg. 20922, effective December 18, 1985, for a maximum of 150 days; amended at 10 Ill. Reg. 4223, effective February 25, 1986; amended at 10 Ill. Reg. 16665, effective September 22, 1986; amended at 11 Ill. Reg. 3044, effective February 3, 1987; amended at 11 Ill. Reg. 9564, effective May 5, 1987; amended at 12 Ill. Reg. 8003, effective April 13, 1988; amended at 12 Ill. Reg. 12055, effective July 11, 1988; amended at 13 Ill. Reg. 12853, effective July 21, 1989; amended at 14 Ill. Reg. 12430, effective July 20, 1990; amended at 14 Ill. Reg. 19869, effective December 3, 1990; amended at 15 Ill. Reg. 10038, effective June 24, 1991; emergency amendment at 15 Ill. Reg. 15790, effective October 22, 1991, for a maximum of 150 days; emergency expired March 21, 1992; amended at 16 Ill. Reg. 11131, effective June 30, 1992; amended at 17 Ill. Reg. 13468, effective July 30, 1993; amended at 18 Ill. Reg. 5859, effective April 5, 1994; amended at 18 Ill. Reg. 13431, effective August 23, 1994; amended at 19 Ill. Reg. 6477, effective April 28, 1995; amended at 20 Ill. Reg. 7515, effective May 20, 1996; amended at 21 Ill. Reg. 5572, effective April 19, 1997; amended at 21 Ill. Reg. 9116, effective June 26, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 650.10 Statewide Season and Permit Quotas

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- a) Season: 12:01 a.m. on Friday of the 3-day (Friday, Saturday and Sunday) weekend immediately before Thanksgiving to 6:00 p.m. on Sunday of the 3-day weekend before Thanksgiving, and 12:01 a.m. on Thursday of the first 4-day (Thursday, Friday, Saturday and Sunday) weekend following Thanksgiving to 6:00 p.m. on Sunday of the first 4-day weekend following Thanksgiving. Full season permits shall be for all days. Second season permits shall be valid for the last four days of the season only. Hunting hours are one-half hour before sunrise to sunset.
- b) Permit quotas shall be set by the Department of Natural Resources (Department) on a county or special hunt area basis. Cook, DuPage, Lake and Kane counties are closed to firearm deer hunting.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.20 Statewide Deer Permit Requirements

- a) Illinois resident hunters must have a current, valid "Firearm Deer Permit" (\$15-00). Deer permit fees for non-resident firearm deer hunters shall be \$100-00 for each either-sex firearm permit and \$25-00 for each antlerless-only permit. ~~No individual may apply for or receive more than 2 either-sex permits (including landowner either-sex firearm permits) full season either-sex firearm permits, second season either-sex firearm permits, and either-sex muzzleloading permits) for use during all gun deer seasons (both firearm and muzzleloading). A permit is issued for one county or special hunt area and is valid only in the county or special hunt area stated on the permit. Only applicants who receive an either-sex permit in a county or special hunt area are eligible for an antlerless-only permit for that county or special hunt area, except in counties that are specially designated for more intensive removal of does in a given year. Any such These counties will be identified prior to the Random Daily Drawing Period which begins in September second-random-daily-drawing, and a limited number of antlerless-only permits will be made available regardless of whether applicants already possess an either-sex permit. For permit applications and other information write to:~~

Department of Natural Resources
(Firearm or Landowner/Tenant or Non-Resident)
Deer Permit Office
524 South Second Street, Room 210
P.O. Box 19277
Springfield, Illinois 62794-9277

- b) Applications from Illinois residents for participation in the First Lottery Drawing will be accepted through the last weekday in April of the current year. Nonresidents may not apply to participate in the First Lottery Drawing. Applications received after the last weekday in April will not be included in this the lottery. Permits will be

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allocated in a computerized random drawing in which only one choice of hunt area or county will be considered. Permits will be issued as either sex, antlerless only, or antlered only. A maximum of one either-sex and one antlerless-only permit shall be issued per person. Applicants for free or paid landowner/tenant permits are not eligible to participate in the First or Second Lottery Drawings lottery or the first-random-daily-drawing-period. Landowners who receive permits in the First or Second Lottery Drawing lottery or first-random-daily-drawing-period are not eligible for landowner permits.

- c) Applicants must complete all portions of the current year permit application form. Incomplete or incorrect applications will be returned along with the applicant's permit fee for correction or completion if received in the Permit Office prior to the last weekday in April of the current year.

- d) Applicants must check the second-season box if they agree to accept a second-season permit upon being rejected for a full-season permit.

- e) Applicants must check the antlerless-only box and enclose an additional \$15-00 (\$25-00 for non-residents) if they want to apply for an additional antlerless-only permit. Antlerless-only permits will be issued until the antlerless-only quota is filled for a given county or special hunt area.

- f) Permits for counties and special hunt areas with unfilled quotas after the First Lottery Drawing lottery will be allocated in a Second Lottery Drawing Random-Daily-Bawing-procedure. This drawing is open only to not previously issued firearm or muzzleloader permits for the current hunting season. Applications for the Second Lottery Drawing will be accepted through Random-Daily-Bawing-will-be-accepted beginning-August-1-and-ending-on the tenth weekday in August of the current year. Applicants may also apply for remaining antlerless-only permits by checking the antlerless-only box and enclosing an additional \$15-00 for residents and \$25 for nonresidents. Applications received prior to August-1-will-be-processed-in-the-first-daily-drawing. A list of unfilled counties and special hunt areas will be announced upon becoming available after the First Lottery Drawing prior to the August-application dates. Applicants must apply on a current year Firearm Deer Permit application form. All applications for the Random-Daily-Bawing-will-be-processed individually. This application period is open only to those applicants who were not previously issued firearm permits for the current hunting season. A maximum of one either-sex and one antlerless-only permit shall be issued per person.

- g) In-person and mail-in applications will receive equal treatment in the drawings for the Random-Daily-Bawing-applications-received-one-day will not be processed until all applications received for that day are mixed. All applications received on a specific day will be processed before processing applications received for a subsequent day. Applications must complete all portions of the current year permit application form. Incomplete or incorrect applications will be

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~~returned along with the applicant's permit fee for correction or completion if received in this office prior to the last weekday in April of the current year. No more than 6 single applications per envelope will be accepted during the application periods for the First and Second Lottery Drawings. Each applicant must submit a separate personal check or money order. Separate envelopes must be used to send permit applications to the Deer Permit Office for regular firearm, muzzleloading rifle, handgun, archery, and free or paid landowner/tenant permits.~~

~~h) Applications for non-resident firearm permits will be accepted beginning August 1 and will be included with the residents in the Random Daily Drawing. Applications received prior to August 1 will be processed in the first daily drawing.~~

~~h) There will be an application period which starts the first working day after September 14 September 1 and ends the fifth weekday in November, during which anyone (regardless of any other permit they may have, subject to the restriction in subsection (a)) can apply for firearm deer permits left over from the county and special hunt area quotas. During this the application period, the permits shall be issued in a random daily drawing. Applications received each day will not be processed until all applications received for that day are mixed. All applications received on a specific day will be processed before processing applications received for a subsequent day. All applications for the Random Daily Drawing will be processed individually (i.e., no group applications will be processed). Applicants can apply for one or more permits during this application period. Full-season antlerless-only permits shall only be issued to successful applicants that have full-season either-sex permits in the county applied for. Second-season antlerless-only permits shall be issued to successful applicants that have either full-season or second-season either-sex permits in the county applied for. Applicants submitting applications within the 20 working days prior to the start of the first season after October 24 cannot be guaranteed a permit by the start of the first deer hunting season. Applicants must print "September Drawing - Multiple Permits" "September--i-Multiple Permits" on the outside of the envelope and mark the "September Drawing - Multiple Permits" "September-i-Multiple-Permits" box on the firearm deer permit application.~~

~~j) Hunter preference in obtaining a permit during the First Lottery Drawing will be given to individuals that applied for an either-sex permit in the previous year's First Lottery Drawing who were rejected because the quota was depleted in their county choice(s). to unsuccessful lottery applicants from the previous year who did not receive an either-sex permit due to the counties of their choice being full or to applicants that received, in the previous year, a second season either-sex permit in the First Lottery Drawing lottery only. In order to be eligible for lottery preference during the First Lottery Drawing, the second season box must have been checked on the~~

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application form of unsuccessful applicants when they were rejected. Preference will not be granted to applicants who received a full-season either-sex permit but who did not receive an antlerless-only permit. Persons with lottery preference will have first chance at receiving available either-sex permits. The following criteria must be met to obtain a preference in the First Lottery Drawing permit lottery:

- 1) The applicant must apply using the official Department application.
- 2) The applicant must be a resident of the State, be eligible to receive a Firearm Deer Permit, and not had deer hunting privileges revoked pursuant to Section 650.50.
- 3) The applicant must apply for the same county choice(s) which he/she listed on the previous year's application. Preference will not be granted for special hunt areas.
- k) Applications may be accepted at the counter window of the permit office; however, permits will be mailed. In-person and mail-in applications will receive equal treatment in the drawings.
- l) Permits are not transferable. Refunds will not be granted, unless the Department of Natural Resources has erroneously issued the permit after the quota has been depleted or where the applicant was unsuccessful in obtaining a permit.
- m) A \$3-00 service fee will be charged for replacement permits issued by the Department, except when permits are lost in the mail, then there will be no charge. Monies derived from this source will be deposited in the Wildlife and Fish Fund.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.21 Deer Permit Requirements - Landowner/Tenant Permits

- a) The immediate family of a landowner or tenant is defined as, and limited to, the spouse, children, or parents permanently residing on the same property as the landowner or tenant.
- b) A tenant for the purpose of this Part is one who rents 40 acres or more land for commercial agricultural purposes under an agreement with a landowner. Commercial agriculture shall be defined as utilization of land for the raising of hay, grain crops or livestock for profit.
- c) Resident and nonresident Illinois landowners who own 40 acres or more of land, and resident tenants leasing or renting 40 acres or more of commercial agricultural lands may apply for a county-wide paid landowner either-sex permit to hunt in the county where the land is located. Members of the immediate family of the landowner or tenant are also eligible to apply for a county-wide paid landowner Firearm Deer permit. Incomplete applications will be returned. The fee for a county-wide either-sex paid landowner deer permit shall be \$15-00 for residents and \$100-00 for nonresidents. These applications will

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not be subject to the public lottery process ~~drawing--or--the--Random Bait--Baiting.~~

- d) Resident Illinois landowners who own 40 acres or more of land and resident tenants renting or leasing 40 acres or more of commercial agricultural land, and members of their immediate family, may apply for a free either-sex permit for their property only in counties open for firearm deer hunting. Recipients of the free either-sex permit will also be given a free antlerless-only permit for their property only. Nonresident Illinois landowners (of 40 acres or more land) are also eligible to apply for one either-sex permit and one antlerless-only permit for their property only. The fee to nonresident Illinois landowners (of 40 acres or more land) for permits for their property only shall be \$50-00 for the either-sex permit and \$25-00 for the antlerless only permit. These applications will not be subject to the public lottery process ~~permit-lottery--described--above or--the--Random-Bait--Baiting.~~ This deer hunting permit ~~shall be valid on all farmlands which the person to whom it is issued owns, leases or rents [525 ILCS 5/2.26] in counties open for firearm deer hunting.~~

- e) Date of acceptance of landowner/tenant property-only permit applications will be publicly announced. Applications for county-wide paid permits must be submitted by the last weekday in April.

- f) Landowners and resident tenants are not required to participate in the public drawing for permits.

- g) Proof of ownership for all landowner or tenant applications must be provided by one of the following methods:

- 1) Submittal of a copy of property deed;
- 2) Submittal of a copy of contract for deed;
- 3) Submittal of a copy of a tax statement for the property (upon which the landowner's name appears as landowner, or person signing application appears as landowner);
- 4) Submittal of the authorized form from the Farm Service Agency; or
- 5) ~~a copy of a Farm-Service-Agency-156BB-form--or~~ Submittal of a copy of a trust agreement which must indicate that the trust owns at least 40 acres and the applicant is a current income beneficiary of the trust.

- h) Tenant permit applicants are required to submit, in addition to the landowner certification and proof of ownership, a copy of one of the following:

- 1) A copy of a lease or a rental agreement, file stamped as recorded by the County Clerk, covering the current year; or
- 2) A copy of the authorized form from the Farm Service Agency ~~a-Farm Service-Agency-156BB-form.~~

- i) A hunting rights lease, or other non-agricultural lease, is not valid as a basis for obtaining a landowner or tenant permit.

- j) County-wide permit holders are authorized to firearm deer hunt only in the county identified on the deer permit and only on property where permission to hunt has been obtained from the property owner.

- k) If the property is owned or rented by more than one person: Only one

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landowner (and his immediate family) or one tenant (and his immediate family) shall be issued a permit on a first-come, first-serve basis for every 40 acres of owned or rented land. For example, if 3 persons own 90 acres, only 2 of the landowners and their immediate family may receive deer permits.

- 1) Shareholders of corporations owning 40 or more acres of land in a county may apply for one either-sex permit to hunt the corporation lands only. Only one permit per 40 acres, for a maximum number of 15 permits per county shall be issued based on ownership of lands by corporations. Lands leased to corporations shall not be considered as a basis for a permit for the shareholders of the lessee. Lands held in trust by corporations shall not be considered as a basis for a permit by the shareholders of the trustee. If application is made for a permit based upon lands owned by the corporation, a duly authorized officer of the corporation must sign a notarized statement authorizing the applicant to hunt on the corporate lands for which a permit is being requested. This statement must identify the applicant as a shareholder, identify authorization to hunt and identify that no more than 15 authorizations will be requested per county for the corporation lands. This document must be attached to the application upon submittal to the Permit Office. The shareholder either-sex permit shall be free to resident shareholders, and the cost to nonresident shareholders shall be \$50.00. An antlerless-only shareholder permit (free to resident shareholders; \$25 to nonresident shareholders) will be made available if in the best interest of managing the deer herd.

- m) Landowners or tenants that apply for or receive Landowner/Tenant Firearm Deer Permits may not apply for additional permits in the First or Second Lottery Drawing ~~lottery-or-the-first-Random-Bait--Baiting.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.22 Deer Permit Requirements - Special Hunts

- a) Special hunt sites are defined as those sites which are owned or controlled by agencies/entities other than the Department, or sites at which the Department only controls a portion of the property designated for deer hunting, which issue deer hunting permits through the statewide lottery process. The Permit Office issues deer hunting permits through a computerized drawing for sites listed below, in addition to the Department-owned or -managed sites listed in Section 650.60(h). The permit preference system does not apply to special hunt areas or to State sites allocating permits in the lottery.

- 1) CILCO Duck Creek (Fulton County, first season only)
- 2) CILCO Duck Creek Handicapped (Fulton County, first season only)
- 3) Crab Orchard National Wildlife Refuge (the first and second season are considered separate hunt choices, and permit

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applicants must specify which season they are applying for in the County Choice or Hunt Area field of the application. Permits may be issued as antlerless-only without the normal bonus requirement. Standby hunting will be allowed if additional permits are available at the site)

4) Crab Orchard National Wildlife Refuge - Disabled Hunt (first season only)

5) 4 Joliet Army Ammunition Plant (Will County)

6) 5 Joliet Army Training Area (Will County)

7) 6 Lake Shelbyville Project Lands (Moultrie County)

8) 7 Lake Shelbyville Project Lands except Wolf Creek State Park (Shelby County)

9) 8 Savanna Army Depot (Jo Daviess County)

- b) Each applicant must enclose a separate fee (check or money order) payable to the Department of Natural Resources, or the application will be returned. Applicants should not send cash with their applications. The Department will not be responsible for cash sent through the mail.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.23 Deer Permit Requirements - Group Hunt

- a) Up to six individuals may apply to hunt as a group during the First and Second Lottery Drawings. If applicants are applying in a group, all applications for the group must be sent to the Department in the same envelope. All applications for the group will be processed together only if they are received in the same envelope. Any applications indicating participation in a group that are not received in the same envelope will be processed separately.

- b) Each individual must sign his or her own application.

- c) Applicant must enclose a separate check or money order for the appropriate amount for each application or the applications will be returned.

- d) In order to receive preference for the group, all members must have preference for the same county choice. If any member does not have preference for the group's county choice, the entire group will not receive preference.

- e) Applicants applying as a group will be rejected if they do not list the same county or special hunt area choice, complete the group leader information listing the identical group leader, and complete the second-season option box identically.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.40 Statewide Deer Hunting Rules

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- a) The bag limit is one deer per legally authorized eligible, antlered-only or antlerless-only permit. All either-sex permits and antlered-only permits are subject to the following restriction: no hunter, regardless of the quantity or type of permits in his/her possession, may harvest more than 2 antlered deer during a year, including the archery, muzzleloader, and firearm seasons. For purposes of this Section, deer seasons are considered to be in the same year if their opening dates fall within the same 12-month period that begins on July 1. A hunter in possession of an either-sex permit after having harvested 2 antlered deer during a year, as defined above, may only use the permit to harvest an antlerless deer. Subject to this restriction, an either-sex permit holder is allowed to take a deer with or without antlers and an antlered-only permit holder is allowed to take only a deer having at least one antler of a length of 3 or more inches. ~~An eligible permit holder is allowed to take a deer with or without antlers. An antlered-only permit holder is allowed to take only a deer having at least one antler of a length of 3 or more inches. An antlered-only permit holder is allowed to take only a deer having at least one antler of a length of 3 or more inches.~~ An antlerless only permit holder is allowed to take only a deer without antlers or a deer having antlers less than 3 inches long.
- b) Recipients of the Firearm Deer Hunting Permit shall record their signature on the permit and must carry it on their person while hunting.

- c) The temporary harvest tag shall be attached and properly sealed immediately upon kill and before the deer is moved, transported or field dressed. No person shall leave any deer that has been killed without properly attaching the temporary harvest tag to the deer. The temporary harvest tag should be attached around the base of the antler of antlered deer (antlers 3 or more inches in length), and attached to the leg of antlerless deer (<3 inch antler length, or no antlers). If the head/antlers are delivered to a taxidermist for processing, the temporary harvest tag must accompany them and be kept with the head/antlers while at the taxidermist. If the carcass is taken to a meat processor, the permanent harvest tag must remain attached to the leg of the deer until it is processed, then must remain with the processed deer until it is at the legal residence of the person who legally took or possessed the deer. Deer shall be checked in by the hunter in person by 8:00 p.m., the same day it is killed; either at the county check station or the nearest check station to the kill site. Failure to follow this Section constitutes illegal possession of deer. Site specific reporting requirements must be followed in addition to this Section. Persons delivering deer/parts of deer to a tanner for processing must supply the tanner with their deer permit number to verify lawful acquisition. In the absence of a permit number, the tanner may rely on the written certification of the person from whom the deer was received that the specimen was legally taken or obtained.

- d) Hunters shall not have in their possession, while in the field during firearm deer season, any deer permit issued to another person (permits

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are non-transferrable).

- e) Permits will not be re-issued in cases involving deer taken which are found to be diseased or spoiled due to previous injury. Legal disposal of unfit deer taken shall be the responsibility of the hunter.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.50 Rejection of Application/Revocation of Permits

- a) In the event that an applicant is in violation of one of the following subsections, the application shall be held in suspension, and the application fees shall be deposited, pending a determination by the permit office of whether or not the violation was knowing. If the permit office determines the violation was knowing, the application shall be rejected and the fee shall be retained by Natural Resources. The applicant may request a hearing on this decision pursuant to 17 Ill. Adm. Code 2530. Should it be determined that the violation was without the knowledge of the applicant, the permit office will process only the number of applications allowed by administrative rule with additional applications rejected and fees returned.

- 1) Using hunting rights lease or mineral rights lease or other lease for land which does not evidence a genuine farm tenancy to obtain a firearm deer permit.
- 2) Submitting more applications in the same name or by the same person for Firearm Deer Permits than the number of legally authorized permits.
- 3) Applying prior to the Second Lottery Drawing ~~September--1~~ for a firearm deer permit if the applicant has already been issued a muzzleloading rifle deer permit, a free landowner/tenant permit, or a paid landowner permit ~~or a free/paid landowner permit~~.
- 4) Providing false and/or deceptive information on the deer permit application form.
- 5) Submitting an application when the applicant has a license or permit currently revoked pursuant to Section 3.36 of the Wildlife Code [520 ILCS 5/3.36].
- b) Any violation of the Wildlife Code [520 ILCS 5] or administrative rules of the Department (17 Ill. Adm. Code, Chapter I), in addition to other penalties, may result in revocation of deer hunting permits as per 17 Ill. Adm. Code 2530.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.60 Regulations at Various Department-Owned or -Managed Sites

- a) All the regulations in 17 Ill. Adm. Code 510 - General Hunting and

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Trapping apply in this Section, unless this Section is more restrictive.

- b) Only one tree stand is allowed per deer permit holder. These tree stands must comply with restrictions listed in 17 Ill. Adm. Code 510.10(c)(3) and must be portable. Tree stands must be removed at the end of each day with the exception that they may be left unattended from September 15 - January 31 at those sites listed in this Section that are followed by a (1).
- c) Check-in, check-out, and reporting of harvest is required at those sites listed in this Section that are followed by a (2).
- d) Only antlerless deer or antlered deer having at least four points on one side may be harvested at those sites listed in this Section that are followed by a (3).
- e) Only antlerless deer or antlered deer having at least five points on one side may be harvested at those sites listed in this Section that are followed by a (4).
- f) Statewide regulations shall apply at the following sites:

Cache River State Natural Area (1) (2)

Campbell Pond (1) (2)

Carlyle Lake Lands and Waters (Corps of Engineers managed lands)

Carlyle Lake Wildlife Management Area (except subimpoundment area)

Chauncey Marsh (1) (2)

Crawford County Conservation Area (1) (2)

Cypress Creek National Wildlife Refuge

Cypress Pond State Natural Area (1) (2)

Dog Island Wildlife Management Area (1) (2)

Ferne Clyffe State Park (1) (2)

Fort de Chartres State Historic Site (muzzleloading rifles only) (1) (2)

Giant City State Park (1) (2)

Goose--Lake--Prairie--State--Park--(site--permitt--required--hunter quotes--shall--be--filled--by--mail--in--drawing--requirements--for drawing--shall--be--publicly--announced--hunters--who--have--harvested--a deer--will--be--allowed--to--purchase--an--additional--site--specific

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~~antlerless-permit--daily--stand-by--drawing--held--at--the--site--at--5
a.m.--each--day--(2)~~

Hamilton County Conservation Area (1) (2)

Horseshoe Lake Conservation Area - Alexander County (all portions of the Public Hunting Area except the Controlled Goose Hunting Area) (1) (2)

I-24 Wildlife Management Area (1) (2)

Kaskaskia River Fish and Wildlife Area (Doza Creek Waterfowl Management Area closed during duck season) (2, except south of Highway 154 and north of Highway 13)

~~Kidd-Lake-State-Natural-Area--(1)~~

Kinkaid Lake Fish and Wildlife Area (1) (2)

Mernett Lake Conservation Area (1) (2)

Mississippi Fish and Waterfowl Management Area - Pools 25 and 26

Mississippi River Pool 16 (1)

Mississippi River Pools 17, 18 (1)

Mississippi River Pools 21, 22, 24 (1)

Newton Lake Fish and Wildlife Area (2)

Oakford Conservation Area (1)

Pere Marquette State Park (hunting in designated areas only) (2)

~~Pyramid-State-Park--(1)--(2)~~

Rend Lake State Fish and Wildlife Area

Saline County Fish and Wildlife Area (1) (2)

Sangamon County Conservation Area

Sanganois State Wildlife Area (1)

~~Southern-Illinois-University---Indian-Creek-Management--Unit--(1)
(2)~~

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Ten . Mile Creek Fish and Wildlife Area (1); Belle Rive Unit only (3)

Trail of Tears State Forest (1) (2)

Turkey Bluffs Fish and Wildlife Area (1) (2)

Union County Conservation Area (Firing Line Unit only) (1) (2)

Weinberg-King State Park (2)

Wildcat Hollow State Forest (1)

g) Statewide regulations shall apply at the following sites by special permit allocated through the regular statewide drawing. Season dates that differ from the statewide dates are in parentheses. Sites that offer standby hunting are followed by a (5). At sites offering standby hunting, permit holders must register at the check station by 5:00 a.m. each day of the hunt. Unvalidated permits are void after 5:00 a.m. Vacancies each day will be filled by a drawing held at 5:00 a.m. Vacancies may be filled by any person holding a valid hunting license, Habitat Stamp, and Firearm Owner Identification Card, unless exempt. Standby hunters will be issued a one-day site-specific deer permit at the check station, and charged a permit fee of \$5.00. All hunters must check out and report harvest.

Apple River Canyon State Park (2)

Argyle Lake Recreation Area (5)

Beall Woods State Park (first or second season only; antlerless deer only) (1) (2) (5)

Big River State Forest (5)

Castle Rock State Park (first or second season only; antlerless deer only) (1) (2) (5)

Castle-Rock-State-Park--(second-season-only)--(1)--(2)--(5)

Coffeen Lake State Fish and Wildlife Area (first season only)

Coffeen Lake State Fish and Wildlife Area (second season only)

Des Plaines Conservation Area (first season only) (2) (5)

East Conant Field (1) (3)

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

Fort Massac State Park (second season only) (antlerless deer only) (2)

Fox Ridge State Park

Goose Lake Prairie State Park (tree stands not allowed; first or second season only; antlerless deer only; "Texas" style tripod stands allowed) (2) (5)

Green River State Wildlife Area (first season only) (1) (2) (5)

Harry "Babe" Woodyard State Natural Area (2) (3)

Heidecke State Fish and Wildlife Area (2) (4) (5)

Hidden Springs State Forest

Horseshoe Lake Conservation Area - Alexander County (Refuge and Public Hunting Area, last Saturday in October)

Iroquois County Conservation Area/Hooper Branch (first season only) (2) (5)

Iroquois County Conservation Area - Hooper Branch only (second season only) (2) (5)

Joliet Army Ammunition Plant (an additional \$15 fee will be assessed upon registration; additionally, wheelchair accessible blinds are available and will be allocated on a first come-first served basis until 12 noon to hunters with a Class P2A disability card) (2) (3) (5)

Kickapoo State Park (2) (5)

Lake Le-Aqua-Na State Park (second season only, antlerless deer only) (5)

Little Vermilion River State Natural Area (2) (3)

Lowden-Miller State Forest (first season only) (1) (2) (3) (5)

Lowden-Miller State Forest (second season only) (1) (2) (3) (5)

Mackinaw River Fish and Wildlife Area (1) (2) (5)

Marseilles Wildlife Area (1) (2) (5)

Marshall Fish and Wildlife Area (2) (5)

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Middle Fork Fish and Wildlife Area (2) (5)

Mississippi Palisades State Park (first season only)

Morrison Rockwood State Park (first season only) (5)

Panther Creek Conservation Area (1) (2) (3)

Pyramid State Park (1) (2)

Ray Norbut Conservation Area (2) (5)

Sand Ridge State Forest (1) (2)

Sato Field (1) (3)

Siloam Springs State Park (2) (3)

Site M (1) (2) (3)

Starved Rock/Matthiessen State Park (first or second season only; antlerless deer only) (2) (5)

Tapley Woods State Natural Area

Union County Conservation Area (Refuge only, last Saturday in October)

Witkowski Wildlife Area

Wolf Creek State Park (3)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.65 Youth Hunt

Statewide regulations shall apply at the following sites by special permit allocated through the regular statewide drawing. The youth hunting date will be the first three days of the statewide firearm deer season. Youth hunters must have a special permit allocated by a mail-in drawing. Only paid firearm permit holders who possess a valid Firearm-Beer Permit for the county in which the site is located are eligible. Permits will be valid for the three-day season. Any duplicate applications will be denied and those persons shall forfeit their right to a permit. Shooting is allowed from elevated tree stands only. Applicants must be between the ages of 10-15.

Crab Orchard National Wildlife Refuge (second season only) (1)

DEPARTMENT OF NATURAL RESOURCES

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(2)

Fort Massac State Park (first season only) (1) (2)

Lake Le-Aqua-Na State Park (first season only) (1) (2)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.67 Special Hunts for Disabled Hunters

Statewide regulations shall apply; season dates shall be the Thursday, Friday, and Saturday immediately prior to the first firearm deer season, and the Thursday, Friday, and Saturday immediately following the second weekend of the regular firearm season. Permit applications may be obtained from the appropriate Illinois Department of Natural Resources regional office, and completed applications must be returned to that office by the third Friday in October. Disabled hunters must possess a Class P2A disability card in order to be eligible for the drawing. All participating hunters must show proof of passing the Illinois Hunter Safety Course or an equivalent State program for nonresidents. Additional regulations will be publicly announced.

Clinton Lake State Recreation Area (Mascoutin State Park) (2) (5)

Rock Cut State Park (2) (5)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: White-Tailed Deer Hunting by Use of Muzzleloading Rifles2) Code Citation: 17 Ill. Adm. Code 660

Section Numbers:	Proposed Action:
660.10	Amendments
660.20	Amendments
660.25	Amendments
660.40	Amendments
660.50	Amendments
660.60	Amendments

4) Statutory Authority: Implementing and authorized by Sections 1.3, 1.4, 1.13, 2.24, 2.25, 2.26, 2.33 and 3.36 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 1.13, 2.24, 2.25, 2.26, 2.33 and 3.36].

5) A Complete Description of the Subjects and Issues Involved: This Part is being amended to remove language stating only one choice of hunt area or county will be considered and add language allowing hunters to specify a second choice of hunt county or special site on their application; change the First Random Daily Drawing period for firearm deer permits to a single lottery drawing; allow applicants during the second drawing period to apply for permits as a group (maximum of 6 hunters/group); change the first day of the September Random Daily Drawing period (the third application period) from September 1 to the first working day after September 14; add language indicating that no hunter, regardless of the quantity or type of permit in his/her possession, may harvest more than 2 antlered deer during a year, including the archery, muzzleloader, and firearm seasons; hunters in possession of either-sex permits after having harvested 2 antlered deer during a year, may only use the permit to harvest antlerless deer; either-sex permit holders are allowed to take a deer with or without antlers and an antlered-only permit holder is allowed to take only a deer having at least one antler of a length of 3 or more inches; open/close sites to hunting; and change deer hunting programs at several sites.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
No7) Does this rulemaking contain an automatic repeal date? No8) Does this rulemaking contain incorporations by reference? No9) Are there any other proposed rulemakings pending on this Part? No10) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local government.

DEPARTMENT OF NATURAL RESOURCES
NOTICE OF PROPOSED AMENDMENTS

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed rule may be submitted in writing for a period of 45 days following publication of this notice to:

Jack Price
Department of Natural Resources
524 S. Second Street
Springfield, IL 62701-1787
217/782-1809

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rule was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

ILLINOIS REGISTER 2710 98
DEPARTMENT OF NATURAL RESOURCES
NOTICE OF PROPOSED AMENDMENTS
TITLE 17: CONSERVATION
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER b: FISH AND WILDLIFE

PART 660
WHITE-TAILED DEER HUNTING SEASON BY USE
OF MUZZLELOADING RIFLES

Section	Statewide Season and Permit Quotas
660.10	Statewide Deer Permit Requirements
660.20	Deer Permit Requirements - Free Landowner/Tenant Permits
660.21	Deer Permit Requirements - Special Hunts
660.22	Deer Permit Requirements - Group Hunt
660.25	Statewide Muzzleloading Rifle Requirements
660.30	Statewide Deer Hunting Rules
660.40	Reporting Harvest
660.45	Rejection of Application/Revocation of Permits
660.50	Regulations at Various Department-Owned or -Managed Sites
660.60	

AUTHORITY: Implementing and authorized by Sections 1.3, 1.4, 1.13, 2.24, 2.25, 2.26, 2.33 and 3.36 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 1.13, 2.24, 2.25, 2.26, 2.33 and 3.36].

SOURCE: Adopted at 15 Ill. Reg. 4777, effective March 18, 1991; amended at 15 Ill. Reg. 11627, effective August 2, 1991; amended at 16 Ill. Reg. 11150, effective June 30, 1992; amended at 17 Ill. Reg. 10865, effective July 1, 1993; amended at 18 Ill. Reg. 5878, effective April 5, 1994; amended at 18 Ill. Reg. 13435, effective August 23, 1994; amended at 19 Ill. Reg. 6500, effective April 28, 1995; amended at 20 Ill. Reg. 6734, effective May 6, 1996; amended at 21 Ill. Reg. 5583, effective April 19, 1997; amended at 21 Ill. Reg. 9124, effective June 26, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 660.10 Statewide Season and Permit Quotas

- a) Season: One-half hour before sunrise on Friday of the third 3-day (Friday, Saturday, Sunday) weekend following Thanksgiving to sunset on Sunday of this 3-day weekend in December. The hunter with a Muzzleloading Rifle Deer Permit may also hunt during the second firearm deer season (the first 4-day weekend -- Thursday, Friday, Saturday and Sunday -- following Thanksgiving), providing the hunter must use only a legal muzzleloading rifle and must abide by 17 Ill. Adm. Code 650.60 when hunting on Department-owned or -managed sites. Hunting hours are one-half hour before sunrise to sunset.
- b) Permit quotas shall be set by the Department of Natural Resources (Department) on a county or special hunt area basis. Cook, DuPage, Lake and Kane counties are closed to muzzleloading rifle deer hunting.

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(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 660.20 Statewide Deer Permit Requirements

a) Illinois resident hunters must have a current, valid "Muzzleloading Rifle Deer Permit" (\$15-00). Muzzleloading rifle deer permit fees for non-residents shall be \$100-00 for each either-sex muzzleloading permit and \$25-00 for each antlerless-only permit. No individuals may apply for or receive more than 2 either-sex permits (including landowner either-sex firearm permits, full-season either-sex firearm permits, second-season either-sex firearm permits, and either-sex muzzleloading permits) for use during an antlerless-only season (both firearm and muzzleloading). A permit is issued for one county and is valid only in the county stated on the permit. Only applicants who receive an either-sex permit in a county or special hunt area are eligible for an antlerless-only permit for that county or special hunt area, except in counties that are specially designated for more intensive removal of does in a given year. Any such these counties will be identified prior to the Random Daily Drawing Period which begins in September second-random-daily-drawing, and a limited number of antlerless-only permits will be made available regardless of whether applicants already possess an either-sex permit. For permit applications and other information write to:

Department of Natural Resources

(Muzzleloading Rifle)

Deer Permit Office

524 South Second Street, Room 210

P.O. Box 19227

Springfield, IL 62794-9227

b) Applications from Illinois residents for participation in the First Lottery Drawing shall be accepted through the last weekday in April of the current year. Nonresidents may not apply to participate in the First Lottery Drawing. Applications received after the last weekday in April shall not be included in this the lottery. Permits shall be allocated in a computerized random drawing in which only one choice of hunt-area-or-county shall be considered. Permits shall be issued as either-sex, antlerless-only or antlered only. A maximum of one either-sex and one antlerless-only permit shall be issued per person. Applicants must complete all portions of the current year permit application form. Incomplete or incorrect applications will be returned along with the applicant's permit fee for correction or completion if received in the Permit Office prior to the last weekday in April of the current year.

d) Applicants must check the antlerless-only box and enclose an additional \$15-00 if they want to apply for an additional

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antlerless-only permit. Antlerless-only permits will be issued until the antlerless-only quota is filled for a given county or special hunt area.

e) Permits for counties and special hunt areas with unfilled quotas after the First Lottery Drawing lottery shall be allocated in a Second Lottery Drawing random-drawing-procedure. This drawing is open only to nonresident applicants and to Illinois residents who were not previously issued firearm or muzzleloader permits for the current hunting season. Applications for the random-daily-drawing shall be accepted beginning August 1 and ending on the Second Lottery Drawing will be accepted through the tenth weekday in August of the current year. Applicants may also apply for remaining antlerless-only permits by checking the antlerless-only box and enclosing an additional \$15-00. Applications received prior to August 1 will be processed in the August 1-daily-drawing. A list of unfilled counties shall be announced upon becoming available after the First Lottery Drawing prior to the August application dates. Applicants must apply on a current year "Muzzleloading Rifle" Deer Permit application form. All applications for the random-daily-drawing shall be processed individually. This application period is open only to those applicants who were not previously issued firearm permits for the current hunting season except as provided in Section 660-20(e). A maximum of one either-sex and one antlerless-only permit shall be issued per person.

e) Those applicants who have already received a muzzleloading rifle permit and did not check the antlerless-only box may apply for an antlerless-only permit for the county specified on their either-sex permit beginning September 1. Applicants shall complete an application form, provide a photocopy of their either-sex permit, and enclose a check for \$15-00 (\$25-00 for non-residents).

f) In person and mail in applications shall receive equal treatment in the drawings. For the random-daily-drawing applications received one day shall not be processed until all applications received for that day are mixed. All applications received on a specific day shall be processed before processing applications received for a subsequent day.

f) Applicants must complete all portions of the current-year permit application form. Incomplete or incorrect applications shall be returned along with the applicant's permit fee for correction or completion if received in this office prior to the last weekday in April of the current year. No more than 6 single applications per envelope shall be accepted during the application periods for the First and Second Lottery Drawings. Each applicant must submit a separate personal check or money order. Separate envelopes must be used to send permit applications to the Deer Permit Office for regular firearm, muzzleloading rifle, handgun, archery, and free or paid landowner/tenant permits.

h) Applications for non-resident muzzleloading rifle firearm permits

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~~shall be accepted--beginning--August--1--and--will--be--included--with--the residents--in--the--Random--Daily--Drawing--~~
~~g) That there will be an application period which starts the first working day after September 14 September--1 and ends the fifth weekday in November during which anyone (regardless of any other permit they may have, subject to the restriction in subsection (a)) can apply for muzzleloading deer permits \$15-00-fee} left over from the county and special hunt area quotas. During this the application period, the permits shall be issued in a random daily drawing. Applications received each day will not be processed until all applications received for that day are mixed. All applications received on a specific day will be processed before processing applications received for a subsequent day. All applications for the Random Daily Drawing will be processed individually (i.e., no group applications will be processed). Applicants can apply for one or more permits during this application period. Full season antlerless-only permits shall only be issued to successful applicants that have full season either-sex permits in the county applied for for--that--county. Applicants submitting applications after October--24 cannot be guaranteed a permit by--the--start--of--the--second--firearm--deer--hunting--season. Applicants must print "September 1 Drawing - Multiple Muzzleloader Permits" on the outside of the envelope and mark the "September 1 Drawing - Multiple Permits" box on the muzzleloading rifle deer permit application.~~

~~h) Hunter preference in obtaining a muzzleloading rifle permit during the First Lottery Drawing shall be given to individuals that applied for an either-sex muzzleloading permit in the previous year's First Lottery Drawing who were rejected because the quota was depleted in their county choice(s) to--unsuccessful--lottery--applicants--from--the previous--year--who--were--unsuccessful--due--to--the--county--of--their--choice being--full. The following criteria must be met to obtain a preference in the muzzleloading rifle First Lottery Drawing: permit--lottery--~~

- 1) The applicant must apply using the official agency preprinted data-mailer application.
 - 2) The applicant must be a resident of the state, be eligible to receive a Muzzleloading Rifle Deer Permit, and not had deer hunting privileges revoked pursuant to Section 660.50.
 - 3) The applicant must apply for the same county choice(s) choice which he/she listed on the previous year's application. Preference will not be granted for special hunt areas.
 - 4) Where applicants apply as a group, preference for the entire group shall apply as it does above for the individual. All county choices for the group must be identical.
- ~~i) Applications shall be accepted at the counter window of the permit office; however, permits shall be mailed. In-person and mail-in applications will receive equal treatment in the drawings. Refunds shall not be granted unless the Department of Natural Resources has erroneously issued the permit~~

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after the quota has been depleted or where the applicant was unsuccessful in obtaining a permit.

~~k) A \$3-00 service fee shall be charged for replacement permits issued by the Department, except when permits are lost in the mail, then there shall be no charge. Monies derived from this source shall be deposited in the Wildlife and Fish Fund.~~

~~n) Each applicant must enclose a separate \$15-00-fee check or money--order payable--to--the--Department--of--Natural--Resources; or--the--application shall be returned--Applications--should--not--send--cash--with--their applications--The--Department--shall--not--be--responsible--for--cash--sent through--the--mail--~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 660.25 Deer Permit Requirements - Group Hunt

a) Up to six individuals may apply to hunt as a group during the First and Second Lottery Drawings. If applicants are applying in a group, all applications for the group must be sent to the Department in the same envelope. All applications for the group shall be processed together only if they are received in the same envelope. Any applications indicating participation in a group that are not received in the same envelope shall be processed separately.

b) Each individual must sign his or her own application.

c) Applicant must enclose a separate check or money order for the appropriate amount for each application or the applications will be returned.

~~d) In order to receive preference for of the group, all members must have preference for the same county choice. If any member does not have preference for the group's first county choice, the entire group shall not receive preference.~~

~~e) Applicants applying as a group shall be rejected if they do not list the same county choice and complete the group leader information listing the identical group leader.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 660.40 Statewide Deer Hunting Rules

a) The bag limit is one deer per legally authorized either-sex, antlered-only or antlerless-only permit. All either-sex permits and antlered-only permits are subject to the following restriction: no hunter, regardless of the quantity or type of permits in his/her possession, may harvest more than 2 antlered deer during a year, including the archery, muzzleloader, and firearm seasons. For purposes of this Section, deer seasons are considered to be in the

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- d) Handicapped preferred hunting opportunities are provided at those sites listed in this Section that are followed by a (3).
- e) Only antlerless deer or antlered deer having at least four points on one side may be harvested at those sites listed in this Section that are followed by a (4).
- f) Only antlerless deer or antlered deer having at least five points on one side may be harvested at those sites listed in this Section that are followed by a (5).
- g) Statewide regulations shall apply at the following sites:

Cache River State Natural Area (1) (2)

Campbell Pond Fish and Wildlife Area (1) (2)

Carlyle Lake Wildlife Management Area except subimpoundment areas

Carlyle Lake Lands and Waters - Corps of Engineers managed lands

Chauncey Marsh (1) (2)

Crawford County Fish and Wildlife Area (1) (2)

Cypress Creek National Wildlife Refuge

Cypress Pond State Natural Area (1) (2)

Dog Island Wildlife Management Area (1) (2)

Ferne Clyffe State Park (1) (2)

Fort de Chartres Historic Site (1) (2)

Giant City State Park (1) (2)

Hamilton County Fish and Wildlife Area (1) (2)

Hidden--Springs--State--Forest--(closed-during-second-firearm-deer season)-(1)-(2)

Horseshoe Lake Conservation Area - Alexander County (all portions of the Public Hunting Area except the Controlled Goose Hunting Area) (1) (2)

I-24 Wildlife Management Area (1) (2)

Kaskaskia River Fish and Wildlife Area (Doza Creek Waterfowl Management Area is closed during duck season) (2, except south of Highway 154 and north of Highway 13)

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Kickapoo State Park (closed during second firearm deer season) (1) (2)

~~Kidd-beke-State-Natural-Area-(1)-(2)~~

Kinkaid Lake Fish and Wildlife Area (1) (2)

Mermet Lake Conservation Area (1) (2)

Middle Fork Fish and Wildlife Area (closed during second firearm deer season) (1) (2)

Mississippi River Pool 16 (1)

Mississippi River Pool 17 (1)

Mississippi River Pool 18 (1)

Mississippi River Pools 21, 22, 24 (1)

Mississippi Fish and Waterfowl Management Area - Pools 25 and 26

Oakford Conservation Area (1)

Panther Creek Conservation Area (1) (2) (4)

Pere Marquette State Park (hunting in designated area only) (2)

Pyramid State Park (1) (2)

Ray Norbut Conservation Area (2)

Rend Lake Fish and Wildlife Area

Saline County Fish and Wildlife Area (1) (2)

Sand Ridge State Forest (1) (2)

Sanganois Fish and Wildlife Area (1)

Ten Mile Creek Fish and Wildlife Area (1); Belle River Unit only (4)

Trail of Tears State Forest (1) (2)

Turkey Bluffs Fish and Wildlife Area (1) (2)

Union County Conservation Area (Firing Line Unit only) (1) (2)

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Weinberg-King State Park (2)

Wildcat Hollow State Forest (1)

- h) Statewide regulations shall apply at the following sites by special permit allocated through the regular statewide drawing. Season dates that differ from the statewide dates are in parentheses. Sites that offer standby hunting are followed by a (6). At sites offering standby hunting, permit holders must register at the check station by 5:00 a.m. each day of the hunt. Unvalidated permits are void after 5:00 a.m. Vacancies each day will be filled by a drawing held at 5:00 a.m. Vacancies may be filled by any person holding a valid hunting license, Habitat Stamp, and Firearm Owner Identification Card, if required. Standby hunters will be issued a one-day site-specific deer permit at the check station, and charged a permit fee of \$5-00. All hunters must check out and report harvest.

Castle Rock State Park (closed during second firearm season; antlerless deer only) (2) (6)

East Conant Field (1) (4)

Hidden Springs State Forest (closed during second firearm deer season (1) (2))

Sato Field (1) (4)

Tapley Woods State Natural Area (closed during the second firearm deer season)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

POLLUTION CONTROL BOARD

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1) Heading of the Part: Mobile Sources2) Code Citation: 35 Ill. Adm. Code 240

3) <u>Section Numbers:</u>	<u>Proposed Action:</u>
240.102	Amended
240.104	Amended
240.105	Amended
240.106	Amended
240.107	Amended
240.162	Amended
240.163	Amended
240.164	Renumbered, New
240.165	Amended
240.171	Amended
240.172	Amended
240.173	Repealed
240.181	New
240.182	New
240.183	New
240.191	New
240.192	New
240.193	New
240.Table A	Amended
240.Table B	Amended
240.Table C	New

4) Statutory Authority: 415 ILCS 5/28.5 (1996), 625 ILCS 5/13B-20 (1996)

- 5) A Complete Description of the Subjects and Issues Involved: The proposed rules contain emission standards for a portion of the enhanced vehicle emissions inspection and maintenance (I/M) program in the Chicago and East St. Louis ozone nonattainment areas. The Illinois Environmental Protection Agency and the Board are required by the Vehicle Emissions Inspection Law [625 ILCS 5/13B] (see Section 10 of P.A. 90-475, effective August 17, 1997) to adopt all the measures listed for the establishment and implementation of the enhanced I/M program.

- 6) Will this rulemaking replace any emergency rulemaking currently in effect?
No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this rulemaking contain incorporations by reference? Yes

- 9) Are there any other proposed rulemakings pending on this Part? No

- 10) Statement of Statewide Policy Objectives: Those rules will enable Illinois

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

to help meet federal statutory requirements for enhanced I/M testing as required by the Clean Air Act, as amended in 1990 (42 U.S.C. 7592(b), (c) (1990)). These proposed amendments do not create or enlarge a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)].

- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Send written comments concerning R98-24 within 45 days of this publication in the *Illinois Register* to:

Dorothy Gunn
Clerk of the Pollution Control Board
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601
312/814-7011

and

Christopher P. Demeroukas
Assistant Counsel
Illinois Environmental Protection Agency
Division of Legal Counsel
1021 North Grand Avenue, East
Springfield, Illinois 62702

Request for copies of the January 22, 1998, opinion and order should be addressed to Victoria Agyeman, at 312-814-3620 or at the above address and should reference Docket R98-24. Questions regarding the rulemaking should be addressed to Amy Muran Felton at 312-814-7011.

- 12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit Corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rulemaking was summarized: June 1997

The full text of the Proposed Amendment begins on the next page:

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

TITLE 35: ENVIRONMENTAL PROTECTION
SUBTITLE B: AIR POLLUTION
CHAPTER I: POLLUTION CONTROL BOARD
SUBCHAPTER K: EMISSION STANDARDS AND LIMITATIONS
FOR MOBILE SOURCES

PART 240
MOBILE SOURCES

SUBPART A: DEFINITIONS AND GENERAL PROVISIONS

Section	
240.101	Preamble
240.102	Definitions
240.103	Prohibitions
240.104	Inspection
240.105	Penalties
240.106	Determination of Violation
240.107	Incorporations by Reference

SUBPART B: EMISSIONS

Section	
240.121	Smoke Emissions
240.122	Diesel Engine Emission Standards for Locomotives
240.123	Liquid Petroleum Gas Fuel Systems
240.124	Vehicle Exhaust Emission Standards
240.125	Compliance Determination

SUBPART C: HEAVY-DUTY DIESEL SMOKE OPACITY STANDARDS AND TEST PROCEDURES

Section	
240.140	Applicability
240.141	Heavy-Duty Diesel Vehicle Smoke Opacity Standards and Test Procedures

SUBPART D: STEADY-STATE IDLE MODE TEST EMISSION STANDARDS

Section	
240.151	Applicability
240.152	Steady-State Idle Mode Vehicle Exhaust Emission Standards
240.153	Compliance Determination

SUBPART E: TRANSIENT LOADED MODE TEST EMISSION STANDARDS

Section	
240.161	Applicability
240.162	Vehicle Exhaust Emission Start-Up Standards
240.163	Vehicle Exhaust Emission Final Standards

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240.164 Vehicle Exhaust Emission Fast-Pass Standards Compliance-Determination
 240.165~~164~~

SUBPART F: EVAPORATIVE TEST STANDARDS

Section

240.171 Applicability
 240.172 Evaporative System Integrity Pressure Test Standards
 240.173 Evaporative System Purge Test Standards (Repealed)

SUBPART G: ON-ROAD REMOTE SENSING TEST EMISSION STANDARDS

Section

240.181 Applicability
 240.182 On-Road Remote Sensing Emission Standards
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SUBPART H: ON-BOARD DIAGNOSTIC (OBD) TEST STANDARDS

Section

240.191 Applicability
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APPENDIX A Rule into Section Table

APPENDIX B Section into Rule Table

TABLE A Vehicle Exhaust Emission Start-Up Standards

TABLE B Vehicle Exhaust Emission Final Standards

TABLE C Vehicle Exhaust Emission Fast-Pass Standards

AUTHORITY: Implementing Sections 9, 10 and 13 and authorized by Sections 27 and 28.5 of the Environmental Protection Act [415 ILCS 5/9, 10, 13, 27, and 28.5] and Section 13B-20 of the Vehicle Emissions Inspection Law of 1995 [625 ILCS 5/13B-20] (see Section 10 of P.A. 90-475, effective August 16, 1997).

SOURCE: Adopted as Chapter 2: Air Pollution, Part VII: Mobile Sources, filed and effective April 14, 1972; codified at 7 Ill. Reg. 13628; amended in R85-25, at 10 Ill. Reg. 11277, effective June 16, 1986; amended in R90-20 at 16 Ill. Reg. 6184, effective April 7, 1992; amended in R94-20 at 18 Ill. Reg. 18013, effective December 12, 1994; amended in R94-19 at 18 Ill. Reg. 18228, effective December 20, 1994; amended in R98-24 at 22 Ill. Reg. _____, effective _____.

BOARD NOTE: This Part implements the Environmental Protection Act as of July 1, 1994.

SUBPART A: DEFINITIONS AND GENERAL PROVISIONS

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Section 240.102 Definitions

All terms which appear in this Part have the definitions specified in this Part and 35 Ill. Adm. Code 201 and 211. Where conflicting definitions occur, the definitions of this Section apply in this Part.

"Diesel engine" means all types of internal-combustion engines in which air is compressed to a temperature sufficiently high to ignite fuel injected directly into the cylinder area.

"Diesel locomotive" means a diesel engine vehicle designed to move cars on a railway.

"Evaporative system integrity test" means a test of a vehicle's evaporative system. The test shall either consist of a leak check of a vehicle's fuel cap with a fuel cap pressure decay tester (fuel cap pressure decay test), a fuel cap leak flow tester (fuel cap leak flow test), or a visual functional check, as applicable.

"Fuel cap" means a device used to seal a vehicle's fuel inlet.

"Fuel cap leak flow test" means a test which may be performed in accordance with this Part on a vehicle's fuel cap using a fuel cap leak flow tester to determine whether the vehicle complies with the evaporative system emission standards of this Part.

"Fuel cap leak flow tester" means a device used to determine the leak flow integrity of a vehicle's fuel cap by comparing the measured leak flow of the fuel cap with an established fuel cap leak flow standard.

"Fuel cap pressure decay test" means the test performed in accordance with this Part on a vehicle's fuel cap using a fuel cap pressure decay tester to determine whether the vehicle complies with the evaporative system emission standards of this Part.

"Fuel cap pressure decay tester" means a device used to determine the pressure decay integrity of a vehicle's fuel cap by monitoring the pressure behind the fuel cap for a ten second period and comparing the measured pressure decay of the fuel cap to an established fuel cap pressure decay standard.

"Fuel cap visual function test" means the test performed in accordance with this Part on a vehicle's fuel cap using visual analysis to determine whether the vehicle complies with the evaporative system emission standards of this Part.

"Full power position" means the throttle position at which the engine fuel delivery is at maximum flow.

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"Gross vehicle weight rating (GVWR)" means the value specified by the manufacturer as the maximum design loaded weight of a single vehicle.

"Heavy duty vehicle" means any motor vehicle rated at more than 8500 pounds GVWR or that has a vehicle curb weight of more than 6000 pounds or that has a basic vehicle frontal area in excess of 45 square feet.

"High idle" means a vehicle operating condition with engine disconnected from an external load (placed in either neutral or park) and operating at speed of 2500 ± 300 RPM that--portion--of--a steady-state--idle--test--conducted--with--the--engine--operating--at--a--speed--of--approximately--2500-RPM--.

"Idle mode" means that portion of a vehicle emission test procedure conducted with the engine disconnected from an external load and operating at minimum throttle.

"Initial idle mode" means the first of up to two idle mode sampling periods during a steady-state idle mode test, during which exhaust emission measurements are made with the vehicle in "as-received" condition.

"Light duty truck 1" means a motor vehicle rated at 6000 pounds maximum GVWR or less and which has a vehicle frontal area of 45 square feet or less, and which is designed primarily for purposes of transportation of property or is a derivation of such a vehicle, or is designed primarily for transportation of persons and has a capacity of more than 12 persons, or is available with special features enabling off-street or off-highway operation and use.

"Light duty truck 2" means a motor vehicle rated between 6001 and 8500 pounds maximum GVWR and which has a vehicle frontal area of 45 square feet or less, and which is designed primarily for purposes of transportation of property or is a derivation of such a vehicle, or is designed primarily for transportation of persons and has a capacity of more than 12 persons, or is available with special features enabling off-street or off-highway operation and use.

"Light duty vehicle" means a passenger car or passenger car derivative capable of seating 12 passengers or fewer.

"Loaded mode" means that portion of a vehicle emission test procedure conducted with the vehicle positioned and operating under load on a chassis dynamometer.

"Loaded vehicle weight (LVW)" means the vehicle curb weight plus 300 pounds.

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"Measured values" means five second running averages of exhaust emission concentrations sampled at a minimum rate of twice per second.

"Model year" means the year of manufacture of a motor vehicle based upon the annual production period as designated by the manufacturer and indicated on the title and registration of the vehicle. If the manufacturer does not designate a production period for the vehicle, then "model year" means the calendar year of manufacture.

"Motor vehicle" as used in this Part, shall have the same meaning as in Section 1-146 of the Illinois Vehicle Code [625 ILCS 5/1-146].

"Preconditioning mode" means a period of steady-state loaded mode or high-idle operation conducted to ensure that the engine and emissions control system components are operating at normal operating temperatures, thus minimizing false failures caused by improper or insufficient warm-up.

"Pressure--test"--means--a--test--of--a--vehicle's--evaporative--emission control--system--to--verify--the--system's--integrity--by--identifying--the presence--of--system--leaks--by--injecting--an--inert--gas--into--the--system--and confirming--the--system's--ability--to--hold--pressure--over--a--specified period--of--time--.

"Purge--test"--means--a--test--of--the--vehicle's--evaporative--emission control--system--to--determine--the--ability--of--the--system--to--properly recycle--gasoline--vapors--captured--and--adsorbed--on--the--charcoal--in--the system's--canister--The--purge--test--consists--of--determining--the--volume of--vapor--flow--between--the--canister--and--the--engine--as--measured--during the--course--of--the--transient--loaded--(H240)--exhaust--emissions--test--.

"Second-chance idle mode" means the second of two idle mode sampling periods during a steady-state idle mode test, preceded by a preconditioning mode and utilized as a second chance to pass idle exhaust emission standards immediately following an initial idle mode failure.

"Smokemeter or opacimeter" means an optical instrument designed to measure the opacity of smoke or diesel exhaust gases using the light extinction method.

"Snap-idle cycle" means rapidly depressing the accelerator pedal from normal idle to the full power position while the vehicle is in neutral, holding the pedal in the position for no longer than ten seconds or until the engine reaches maximum RPM, and fully releasing the pedal so that the engine decelerates to normal idle.

"Steady-state idle test" means a vehicle emission test procedure

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consisting of an initial idle mode measurement of exhaust emissions followed, if necessary, by a loaded or high idle preconditioning mode and a second-chance idle mode.

"~~After--it--means--the-exhaust-emission-standards-required-by-the-Clean Air Act as amended in 1990 that require auto-makers to reduce tailpipe emissions of hydrocarbons and oxides of nitrogen by 35% and 60% respectively--from pre-existing standards--beginning with 40% of the vehicles sold in 1994, 80% in 1995, and 100% thereafter.~~

"Transient loaded mode test" means a vehicle emissions test run on an inertial and power absorbing dynamometer using USEPA's IM240 driving cycle consisting of accelerations and decelerations simulating on-road driving conditions.

"~~Test procedure--means the preparation, preconditioning, sequence, and smoke opacity measurement processes--using the snap-idle cycle for determining compliance with Section 240.141.~~

"~~Two-speed-idle--test--means--a vehicle--emission--test--procedure consisting of the measurements of exhaust emission in high-idle and idle modes.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.104 Inspection

a) All motor vehicles subject to inspection pursuant to Section 13A-104 of the Illinois Vehicle Emissions Inspection Law [625 ILCS 5/13A-104] shall comply with the exhaust emission standards for carbon monoxide and hydrocarbons set forth at Section 240.124 of this Part.

b) All motor vehicles subject to inspection pursuant to Section 13B-15 of the Illinois Vehicle Emissions Inspection Law of 1995 (Vehicle Emissions Inspection Law) [625 ILCS 5/13B-15] (see P.A. 88-533, effective January 18, 1994) shall comply with applicable vehicle emission standards contained in Sections 240.152, 240.162, 240.163, 240.172, 240.182 and 240.192 of this Part.

All motor vehicles subject to inspection pursuant to Section 13A-104 of the Illinois Vehicle Emissions Inspection Law [625 ILCS 5/13A-104] shall comply with the exhaust emission standards for carbon monoxide and hydrocarbons set forth at Section 240.124 of this Part. All motor vehicles subject to inspection pursuant to Section 13B-15 of the Illinois Vehicle Emissions Inspection Law of 1995 (Vehicle Emissions Inspection Law of 1995) [625 ILCS 5/13B-15] (see P.A. 88-533, effective January 18, 1994) shall comply with applicable vehicle emission standards contained in Sections 240.152, 240.162, 240.163, 240.172, and 240.173 of this Part.

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(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.105 Penalties

a) Any violations of Sections 240.103, 240.121, 240.122, and 240.123 of this Part shall be subject to the penalties as set forth in Section 42 of the Act [415 ILCS 5/42].

b) Any violations of Sections 240.204(a) 240.104 and 240.124 of this Part shall be subject to the penalties as set forth in Sections 13A-112 and 13A-113 of the Vehicle Emissions Inspection Law [625 ILCS 5/13A-112 and 13A-113].

c) Any violations of Sections 240.204(b), 240.152, 240.162, 240.163, 240.172, and 240.182 240.173 of this Part shall be subject to the penalties as set forth in Sections 13B-55 and 13B-60 of the Vehicle Emissions Inspection Law of 1995.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.106 Determination of Violation

a) Any violations of Sections 240.103, 240.121, 240.122, and 240.123 of this Part shall be determined by visual observation or by a test procedure employing an opacity measurement system as qualified by 35 Ill. Adm. Code 201, Subpart J.

b) Any violations of Sections 240.124, 240.152, 240.162, 240.163, 240.172, or 240.182 240.173 of this Part shall be determined in accordance with test procedures adopted by the Agency in 35 Ill. Adm. Code 276.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.107 Incorporations by Reference

The following materials are incorporated by reference and include no later editions or amendments:

a) Society of Automotive Engineers (SAE), 400 Commonwealth Drive, Warrendale, PA 15096: Report J255a Diesel Engine Smoke Measurement (August 1978).

b) International Standards Organization (ISO), Case Postale 56, 1211 Geneva 20, Switzerland: ISO 393 (Working Draft, January 1991). Also available from American National Standards Institute (ANSI), 11 West 42nd Street, New York, NY 10036.

c) United States Environmental Protection Agency (USEPA), "High-Tech I/M Test Procedures, Emission Standards, Quality Control Requirements, and Equipment Specifications: IM240 and Functional Evaporative System

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Tests, Revised Technical Guidance," Report EPA-AA-RSPD-IM-96-1 (June 1996). 2565---Plymouth---Road---Ann---Arbor---MI---48105---Report EPA-AA-EPGB-IM-93-17---High-Tech---IM---Test---Procedures---Emission Standards---Quality-Control-Requirements---and-Equipment---Specifications (April-1994)-

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART E: TRANSIENT LOADED MODE TEST EMISSION STANDARDS

Section 240.162 Vehicle Exhaust Emission Start-Up Standards

Vehicle exhaust emission start-up standards contained in Section 240.162 of this Part shall apply for all vehicles subject to inspection until two years after the beginning of IM240 testing. December-31-1997---Tier-1-standards shall-apply-to-all-model-year-1996-and-newer-vehicles-and-model-year-1994-and newer-vehicles-certified-to-Tier-1-standards. All standards are expressed in grams per mile (gpm).

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.163 Vehicle Exhaust Emission Final Standards

Vehicle exhaust emission final standards contained in Section 240.163 of this Part shall apply for all vehicles subject to inspection beginning at the conclusion of testing using the start-up vehicle exhaust emissions standards required in Section 240.162. On-January-17-1998---Tier-1-standards-shall-apply to-all-model-year-1996-and-newer-vehicles-and-model-year-1994-and-newer vehicles-certified-to-Tier-1-standards. All standards are expressed in grams per mile (gpm).

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.164 Vehicle Exhaust Emission Fast-Pass Standards Compliance Determination

Vehicle exhaust emissions fast-pass standards contained in Section 240.164 of this Part will apply for all vehicles subject to inspection under Section 240.161 of this Part utilizing the IM240 transient loaded mode exhaust emission test procedures specified in 35 Ill. Adm. Code 276. All standards are expressed as the cumulative grams for each second of the composite and Phase 2 tests.

(Source: Old Section 240.164 renumbered to Section 240.165 and new Section 240.164 added at 22 Ill. Reg. _____, effective _____)

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Section 240.164165 Compliance Determination

a) Compliance shall be determined based upon the measurement of exhaust emissions while operating the vehicle on a dynamometer and following the driving cycle as specified for the transient IM240 test procedures adopted by the Agency. If the corrected, composite emission rates exceed standards for any pollutant, additional analysis of test results shall review the second phase ("Phase 2") of the driving cycle separately. Phase 2 shall include second 94 through second 239 of the driving cycle. Second-by-second emission rates in grams and composite emission rates in grams per mile for Phase 2 and for the entire composite test shall be recorded for each pollutant. For any given pollutant, if the composite emission level is at or below the composite standard or if the Phase 2 grams per mile emission level is at or below the applicable Phase 2 standard, then the vehicle shall pass the test for that pollutant. Composite and Phase 2 emission rates shall be calculated in accordance with procedures specified in "High-Tech I/M Procedures, Emissions Standards, Quality Control Requirements, and Equipment Specifications Final Technical Guidance" incorporated by reference at Section 240.107 of this Part.

b) Compliance Determination - Vehicle Exhaust Emission Fast-Pass Standards

Compliance will be determined based upon the measurement of exhaust emissions while operating the vehicle on a dynamometer and following the driving cycle as specified for the transient IM240 test procedures adopted by the Agency. Vehicles will be fast-passed using the following algorithm:

- 1) Beginning at second 30 of the driving cycle, cumulative second-by-second emission levels for each second, calculated from the start of the cycle in grams, will be compared to the cumulative fast-pass emission standards for the second under consideration. Beginning at second 109, fast-pass decisions are based upon analysis of cumulative emissions in Phase 2, the portion of the test beginning at second 94, as well as emission levels accumulated from the beginning of the composite test.
- 2) A vehicle will pass the transient IM240 test for a given pollutant if either of the following conditions occurs:
 - A) cumulative emissions of the pollutant are below the full cycle fast-pass standard for the second under consideration; or
 - B) at second 109 and later, cumulative Phase 2 emissions are below the Phase 2 fast-pass standards for the second under consideration.
- 3) Testing may be terminated when fast-pass criteria are met for all subject pollutants in the same second.
- 4) If a fast-pass determination cannot be made for all subject

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evaporative-system-pressure-test-if-one-of-the-following-occurs:
c) Visual Functional Test Standards - While tested using the visual functional test, an inspection of the fuel cap reveals one or more of the following:

- 1) a missing fuel cap;
 - 2) a missing or damaged o-ring, gasket, or seal;
 - 3) missing or damaged threads, flanges, prongs, or other parts used to secure the fuel cap to the fuel tank filler neck; and/or
 - 4) cracks, holes, or other visible forms of tampering or damage.
- if the system cannot maintain a system pressure above eight inches of water for up to two minutes after being pressurized to 14 plus or minus 0.5 inches of water;
- 2) No pressure drop is detected when the gas cap is loosened;
 - 3) the fuel vapor storage canister is missing or obviously damaged;
 - 4) System vapor lines or hoses are missing or obviously disconnected; or
 - 5) The gas cap is missing.

BOARD-NOTE:--Derived from 40-CFR-51.357(b)(3)(i)-(1993):

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.173 Evaporative System Purge Test Standards (Repealed)

- a) The vehicle shall be inspected utilizing the evaporative system purge test adopted by the Agency;
- b) The vehicle shall fail the evaporative system test if the canister purge system flow as measured during the course of the transient exhaust emission test is less than one liter.

BOARD-NOTE:--Derived from 40-CFR-51.357(b)(3)(i)-(1993):

(Source: Repealed at 22 Ill. Reg. _____, effective _____)

SUBPART G: ON-ROAD REMOTE SENSING TEST EMISSION STANDARDS

Section 240.181 Applicability

The standards of this Subpart apply to all vehicles which are inspected utilizing the on-road remote sensing exhaust emission test procedures adopted by the Agency in 35 Ill. Adm. Code 276.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 240.182 On-Road Remote Sensing Emission Standards

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pollutants before the driving cycle ends, the pass/fail determination for each component will be based on composite or Phase 2 emissions over the full driving cycle according to the procedures in subsection (a) of this Section. In cases where fast-pass standards are not used, composite emission rates in grams per mile for Phase 2 and for the entire composite test will be recorded for each pollutant.

- 5) Composite and Phase 2 emission rates will be calculated in accordance with procedures specified in "High-Tech I/M Procedures, Emissions Standards, Quality Control Requirements, and Equipment Specifications Final Technical Guidance" incorporated by reference at Section 240.107 of this Part.

(Source: Renumbered from Section 240.164 and amended at 22 Ill. Reg. _____, effective _____)

SUBPART F: EVAPORATIVE TEST STANDARDS

Section 240.171 Applicability

a) The standards of Section 240.172 of this Subpart shall apply to all model year 1968 and newer vehicles required at the time of manufacture to be equipped with evaporative emission control systems.

- b) The standards of Section 240.173 of this Subpart shall apply to model year 1981 and newer light-duty vehicles, light-duty trucks, and light-duty trucks that are inspected utilizing the transient loaded mode exhaust emission test procedures adopted by the Agency.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 240.172 Evaporative System Integrity Pressure Test Standards

Vehicles subject to evaporative system integrity testing shall fail the evaporative system integrity test if one of the following occurs:

- a) Fuel Cap Pressure Decay Standards - While tested using the fuel cap pressure decay tester, the pressure decays by 6 + 0.3 inches of water or more during a 10 second period after being pressurized to 28 + 1 inches of water column; the vehicles shall be inspected utilizing an evaporative system pressure test adopted by the Agency;
- b) Fuel Cap Leak Flow Test Standards - While tested using the fuel cap leak flow tester, the fuel cap leak flow rate exceeds 60 + 3 cc/min at a pressure of 30 + 1 inches of water column. Determination will be made by comparing the fuel cap's measured leak flow rate with the flow rate obtained from a calibrated master orifice with a National Institute of Standards and Technology traceable flow rate which will result in a pass/fail flow rate threshold of 60 + 3 cc/min of air at 30 + 1 inches of water column; or the vehicle shall fail the

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Exhaust emissions from all subject vehicles and trucks shall not exceed the following limitations:

Model Year	Hydrocarbons (ppm)	Carbon Monoxide (%)
1992+	400	2.0
1988-1991	450	3.0
1981-1987	650	5.0
1975-1980	1300	7.0
1968-1974	1700	8.0

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 240.183 Compliance Determination

Compliance shall be determined based upon the measurement of exhaust emissions using the on-road remote sensing test procedures adopted by the Agency. If, during the course of on-road inspections, a vehicle is found to exceed the on-road remote sensing emission standards specified in Section 240.182 for the model year and type of vehicle, the Agency shall send a notice to the vehicle owner of the violation, which notice will include the time and location of the reading. The notice of a second on-road remote sensing exceedance shall, in addition to the information contained in the first notice, indicate that the vehicle has been reassigned and is subject to an out-of-cycle follow-up inspection at an official inspection station. In no case shall the Agency send a notice of an on-road exceedance to the owner of a vehicle that was found to exceed the on-road remote sensing emission standards if the vehicle is registered outside the affected counties.

(Source: Added at 22 Ill. Reg. _____, effective _____)

SUBPART H: ON-BOARD DIAGNOSTIC (OBD) TEST STANDARDS**Section 240.191 Applicability**

The standards of this Subpart apply to all 1996 and newer model year light duty vehicles, light duty trucks 1, and light duty trucks 2 that are required to meet the standards contained in 40 CFR 86.094-17 and which are inspected utilizing the OBD test procedures adopted by the Agency in 35 Ill. Adm. Code 276. This shall be an advisory test only; vehicles which receive a result of "fail" using the standards of Section 240.192 shall not thereby fail their emissions test.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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Section 240.192 OBD Test Standards

Vehicles subject to OBD testing shall fail the on-board diagnostic test if one of the following occurs:

- the vehicle connector is missing, has been tampered with, or is otherwise inoperable;
- the malfunction indicator light is commanded to be illuminated and it is not visually illuminated according to visual inspection; or
- the malfunction indicator light is commanded to be illuminated and any of the following OBD codes, as defined by SAE J2012 are present (where X refers to any digit):

- Any PXLXX Fuel and Air Metering codes
- Any PX2XX Fuel and Air Metering codes
- Any PX3XX Ignition System or Misfire codes
- Any PX4XX Auxiliary Emission Controls codes
- P0500 Vehicle Speed Sensor Malfunction
- P0501 Vehicle Speed Sensor Range/Malfunction
- P0502 Vehicle Speed Sensor Circuit Low Input
- P0503 Vehicle Speed Sensor Intermittent/Erratic/High
- P0505 Idle Control System Malfunction
- P0506 Idle Control System RPM Lower Than Expected
- P0507 Idle Control System RPM Higher Than Expected
- P0510 Closed Throttle Position Switch Malfunction
- P0550 Power Steering Pressure Sensor Circuit Malfunction
- P0551 Power Steering Pressure Sensor Circuit Malfunction
- P0552 Power Steering Pressure Sensor Circuit Low Input
- P0553 Power Steering Pressure Sensor Circuit Intermittent
- P0554 Power Steering Pressure Sensor Circuit Intermittent
- P0560 System Voltage Malfunction
- P0561 System Voltage Unstable
- P0562 System Voltage Low
- P0563 System Voltage High
- Any PX6XX Computer and Output Circuits codes
- P0703 Brake Switch Input
- P0705 Transmission Range Sensor Circuit Malfunction (PRNDL Input)
- P0706 Transmission Range Sensor Circuit Range/Performance
- P0707 Transmission Range Sensor Circuit Low Input
- P0708 Transmission Range Sensor Circuit High Input
- P0709 Transmission Range Sensor Circuit Intermittent
- P0719 Torque Converter/Brake Switch "B" Circuit Low
- P0720 Output Speed Sensor Circuit Malfunction
- P0721 Output Speed Sensor Circuit Range/Performance
- P0722 Output Speed Sensor Circuit No Signal
- P0723 Output Speed Sensor Circuit Intermittent
- P0724 Torque Converter/Brake Switch "B" Circuit High
- P0725 Engine Speed Input Circuit Malfunction
- P0726 Engine Speed Input Circuit Range/Performance
- P0727 Engine Speed Input Circuit No Signal

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- 38) P0728 Engine Speed Input Circuit Intermittent
 - 39) P0740 Torque Converter Clutch System Malfunction
 - 40) P0741 Torque Converter System Performance or Stuck Off
 - 41) P0742 Torque Converter System Stuck On
 - 42) P0743 Torque Converter System Electrical
 - 43) P0744 Torque Converter System Intermittent
- (Source: Added at 22 Ill. Reg. _____, effective _____)

Section 240.193 Compliance Determination

Compliance shall be determined based upon the inspection of the OBD vehicle connector, MIL, and fault codes using the OBD test procedures adopted by the Agency and specified in 35 Ill. Adm. Code 276.208.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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Section 240.240 TABLE A Vehicle Exhaust Emission Start-Up Standards

Light Duty Vehicles:

Model Years	Hydrocarbons Composite (gpm)	Phase 2 (gpm)	Carbon Monoxide Composite (gpm)	Phase 2 (gpm)	Oxides of Nitrogen Composite (gpm)	Phase 2 (gpm)
1996+ 1991-1995	0.80	0.50	15.0	12.0	2.0	Reserved
1983-1990	1.20	0.75	20.0	16.0	2.5	Reserved
1981-1982	2.00	1.25	30.0	24.0	3.0	Reserved

Light Duty Trucks 1:

Model Years	Hydrocarbons Composite (gpm)	Phase 2 (gpm)	Carbon Monoxide Composite (gpm)	Phase 2 (gpm)	Oxides of Nitrogen Composite (gpm)	Phase 2 (gpm)
1996+ (< 3750 LVW)	0.80	0.50	15.0	12.0	2.0	Reserved
(> 3750 LVW)	1.00	0.63	20.0	16.0	2.5	Reserved
1991-1995	2.40	1.50	60.0	48.0	3.0	Reserved
1988-1990	3.20	2.00	80.0	64.0	3.5	Reserved
1984-1987	3.20	2.00	80.0	64.0	7.0	Reserved
1981-1983	7.50	5.00	100.0	80.0	7.0	Reserved

Light Duty Trucks 2:

Model Years	Hydrocarbons Composite (gpm)	Phase 2 (gpm)	Carbon Monoxide Composite (gpm)	Phase 2 (gpm)	Oxides of Nitrogen Composite (gpm)	Phase 2 (gpm)
1996+ (< 5750 LVW)	1.00	0.63	20.0	16.0	2.5	Reserved
(> 5750 LVW)	2.40	1.50	60.0	48.0	4.0	Reserved
1991-1995	2.40	1.50	60.0	48.0	4.5	Reserved
1988-1990	3.20	2.00	80.0	64.0	5.0	Reserved
1984-1987	3.20	2.00	80.0	64.0	7.0	Reserved
1981-1983	7.50	5.00	100.0	80.0	7.0	Reserved

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 240. TABLE B Vehicle Exhaust Emission Final Standards

Light Duty Vehicles:

Model Years	Hydrocarbons Composite (gpm)	Phase 2 (gpm)	Carbon Monoxide Composite (gpm)	Phase 2 (gpm)	Oxides of Nitrogen Composite (gpm)	Phase 2 (gpm)
1983-1994 1996+	0.60	0.40	10.0	8.0	1.5	Reserved
1983-1995	0.80	0.50	15.0	12.0	2.0	Reserved
1981-1982	0.80	0.50	30.0	24.0	2.0	Reserved

Light Duty Trucks 1:

Model Years	Hydrocarbons Composite (gpm)	Phase 2 (gpm)	Carbon Monoxide Composite (gpm)	Phase 2 (gpm)	Oxides of Nitrogen Composite (gpm)	Phase 2 (gpm)
1983-1994 1996+	0.60	0.40	10.0	8.0	1.5	Reserved
(< 3750 LVW)	0.80	0.50	13.0	10.0	1.8	Reserved
(> 3750 LVW)	1.60	1.00	40.0	32.0	2.5	Reserved
1988-1995	1.60	1.00	40.0	32.0	4.5	Reserved
1984-1987	1.60	1.00	40.0	32.0	4.5	Reserved
1981-1983	3.40	2.00	70.0	56.0	4.5	Reserved

Light Duty Trucks 2:

Model Years	Hydrocarbons Composite (gpm)	Phase 2 (gpm)	Carbon Monoxide Composite (gpm)	Phase 2 (gpm)	Oxides of Nitrogen Composite (gpm)	Phase 2 (gpm)
1983-1994 1996+	0.80	0.50	13.0	10.0	1.8	Reserved
(< 5750 LVW)	0.80	0.50	15.0	12.0	2.0	Reserved
(> 5750 LVW)	1.60	1.00	40.0	32.0	3.5	Reserved
1988-1995	1.60	1.00	40.0	32.0	4.5	Reserved
1984-1987	1.60	1.00	40.0	32.0	4.5	Reserved
1981-1983	3.40	2.00	70.0	56.0	4.5	Reserved

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 240. TABLE C Vehicle Exhaust Emission Fast-Pass Standards

- a) Vehicles having composite hydrocarbon emission limitations of less than 1.25 grams per mile, and composite carbon monoxide emission limitations of less than 20.0 grams per mile, in Section 240. Table A or Section 240. Table B:

Second	Hydrocarbons Composite	Phase 2	Carbon Monoxide Composite	Phase 2
30	0.124	N/A	0.693	N/A
31	0.126	N/A	0.773	N/A
32	0.129	N/A	0.837	N/A
33	0.135	N/A	0.851	N/A
34	0.140	N/A	0.853	N/A
35	0.146	N/A	0.857	N/A
36	0.150	N/A	0.900	N/A
37	0.153	N/A	0.960	N/A
38	0.156	N/A	1.034	N/A
39	0.160	N/A	1.070	N/A
40	0.165	N/A	1.076	N/A
41	0.169	N/A	1.083	N/A
42	0.172	N/A	1.102	N/A
43	0.173	N/A	1.111	N/A
44	0.177	N/A	1.114	N/A
45	0.197	N/A	1.157	N/A
46	0.200	N/A	1.344	N/A
47	0.208	N/A	1.482	N/A
48	0.221	N/A	1.530	N/A
49	0.232	N/A	1.542	N/A
50	0.235	N/A	1.553	N/A
51	0.238	N/A	1.571	N/A
52	0.240	N/A	1.595	N/A
53	0.242	N/A	1.633	N/A
54	0.246	N/A	1.685	N/A
55	0.249	N/A	1.689	N/A
56	0.252	N/A	1.693	N/A
57	0.261	N/A	1.700	N/A
58	0.271	N/A	1.723	N/A
59	0.276	N/A	1.852	N/A
60	0.278	N/A	1.872	N/A
61	0.280	N/A	1.872	N/A
62	0.282	N/A	1.872	N/A
63	0.283	N/A	1.900	N/A
64	0.284	N/A	1.917	N/A
65	0.285	N/A	1.944	N/A
66	0.286	N/A	2.000	N/A
67	0.288	N/A	2.060	N/A
68	0.291	N/A	2.064	N/A

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69	0.294	N/A	2.076	N/A
70	0.296	N/A	2.104	N/A
71	0.298	N/A	2.117	N/A
72	0.300	N/A	2.125	N/A
73	0.302	N/A	2.130	N/A
74	0.304	N/A	2.138	N/A
75	0.307	N/A	2.152	N/A
76	0.308	N/A	2.170	N/A
77	0.308	N/A	2.188	N/A
78	0.308	N/A	2.200	N/A
79	0.314	N/A	2.212	N/A
80	0.320	N/A	2.212	N/A
81	0.324	N/A	2.221	N/A
82	0.327	N/A	2.222	N/A
83	0.329	N/A	2.227	N/A
84	0.333	N/A	2.236	N/A
85	0.336	N/A	2.243	N/A
86	0.339	N/A	2.262	N/A
87	0.343	N/A	2.271	N/A
88	0.347	N/A	2.284	N/A
89	0.350	N/A	2.299	N/A
90	0.356	N/A	2.308	N/A
91	0.358	N/A	2.326	N/A
92	0.360	N/A	2.330	N/A
93	0.363	N/A	2.331	N/A
94	0.367	N/A	2.344	N/A
95	0.370	N/A	2.347	N/A
96	0.372	N/A	2.355	N/A
97	0.376	N/A	2.395	N/A
98	0.388	N/A	2.451	N/A
99	0.396	N/A	2.508	N/A
100	0.405	N/A	2.590	N/A
101	0.410	N/A	2.660	N/A
102	0.411	N/A	2.749	N/A
103	0.412	N/A	2.913	N/A
104	0.413	N/A	3.162	N/A
105	0.421	N/A	3.170	N/A
106	0.428	N/A	3.197	N/A
107	0.430	N/A	3.288	N/A
108	0.455	N/A	3.419	N/A
109	0.459	0.015	3.587	0.168
110	0.462	0.017	3.595	0.173
111	0.464	0.021	3.640	0.237
112	0.466	0.024	3.740	0.266
113	0.468	0.024	3.868	0.280
114	0.471	0.025	3.877	0.291
115	0.488	0.026	3.934	0.314
116	0.513	0.029	4.015	0.331

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117	0.538	0.032	4.061	0.345
118	0.561	0.035	4.063	0.350
119	0.577	0.035	4.079	0.356
120	0.580	0.036	4.140	0.367
121	0.586	0.038	4.185	0.388
122	0.594	0.040	4.199	0.407
123	0.603	0.041	4.205	0.463
124	0.610	0.042	4.212	0.480
125	0.615	0.042	4.232	0.506
126	0.624	0.042	4.298	0.518
127	0.628	0.045	4.344	0.522
128	0.632	0.046	4.361	0.525
129	0.637	0.046	4.366	0.528
130	0.641	0.049	4.369	0.530
131	0.643	0.050	4.372	0.553
132	0.644	0.052	4.375	0.534
133	0.645	0.054	4.523	0.550
134	0.647	0.054	4.524	0.554
135	0.651	0.054	4.525	0.590
136	0.658	0.055	4.531	0.616
137	0.663	0.055	4.534	0.639
138	0.666	0.056	4.542	0.653
139	0.668	0.059	4.553	0.662
140	0.670	0.061	4.554	0.683
141	0.672	0.061	4.554	0.696
142	0.675	0.061	4.554	0.708
143	0.678	0.063	4.554	0.721
144	0.681	0.064	4.554	0.739
145	0.684	0.065	4.554	0.742
146	0.686	0.066	4.554	0.743
147	0.688	0.067	4.554	0.745
148	0.690	0.068	4.554	0.748
149	0.692	0.069	4.554	0.751
150	0.694	0.070	4.554	0.762
151	0.696	0.071	4.556	0.789
152	0.698	0.072	4.556	0.790
153	0.700	0.073	4.565	0.794
154	0.702	0.073	4.612	0.799
155	0.704	0.074	4.834	0.805
156	0.706	0.077	5.702	0.842
157	0.708	0.079	5.841	0.990
158	0.710	0.082	6.170	1.038
159	0.712	0.082	6.670	1.357
160	0.716	0.086	7.425	1.455
161	0.750	0.095	8.379	1.546
162	0.784	0.107	9.648	1.824
163	0.805	0.115	10.918	2.746
164	0.840	0.122	12.157	3.073

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165	0.853	0.127	12.731	3.633
166	0.874	0.159	12.831	4.505
167	0.903	0.186	12.892	4.952
168	0.910	0.189	12.932	5.254
169	0.914	0.200	13.702	5.730
170	0.916	0.220	14.139	6.051
171	0.919	0.236	14.964	6.333
172	0.931	0.247	15.704	6.490
173	0.948	0.257	16.253	6.796
174	0.983	0.267	16.907	7.205
175	1.018	0.283	17.655	8.151
176	1.027	0.295	18.020	8.230
177	1.035	0.312	18.349	8.584
178	1.051	0.318	18.671	8.800
179	1.074	0.323	18.972	8.847
180	1.084	0.337	19.228	8.913
181	1.099	0.345	20.123	9.122
182	1.121	0.350	20.405	9.532
183	1.132	0.359	20.754	10.256
184	1.152	0.387	21.684	10.862
185	1.161	0.398	21.955	10.996
186	1.168	0.400	22.650	11.206
187	1.175	0.402	22.989	11.514
188	1.181	0.405	23.535	11.894
189	1.188	0.418	23.876	12.019
190	1.203	0.429	24.018	12.170
191	1.219	0.442	24.464	12.517
192	1.233	0.457	24.685	12.598
193	1.251	0.473	24.931	12.625
194	1.255	0.487	25.188	12.653
195	1.258	0.501	25.468	12.777
196	1.265	0.510	25.627	12.906
197	1.280	0.512	25.746	12.989
198	1.293	0.514	25.850	13.060
199	1.301	0.516	25.974	13.165
200	1.313	0.518	26.141	13.242
201	1.324	0.527	26.225	13.412
202	1.332	0.540	26.338	13.662
203	1.341	0.547	26.547	13.773
204	1.357	0.553	26.818	13.942
205	1.375	0.559	27.052	14.090
206	1.392	0.563	27.393	14.224
207	1.408	0.567	27.501	14.426
208	1.422	0.571	27.632	14.498
209	1.433	0.575	27.803	14.776
210	1.443	0.579	27.953	14.907
211	1.453	0.595	28.205	14.916
212	1.463	0.605	28.543	15.014

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213	1.468	0.614	28.997	15.221
214	1.470	0.622	29.000	15.472
215	1.474	0.627	29.005	15.555
216	1.478	0.638	29.081	15.652
217	1.481	0.643	29.281	15.969
218	1.484	0.643	29.483	16.028
219	1.487	0.645	29.734	16.375
220	1.490	0.651	29.803	16.487
221	1.493	0.655	29.821	16.524
222	1.504	0.663	29.847	16.578
223	1.522	0.671	29.862	16.684
224	1.547	0.675	29.873	16.755
225	1.549	0.684	30.008	16.770
226	1.562	0.694	30.126	16.802
227	1.574	0.701	30.127	16.865
228	1.579	0.702	30.127	16.960
229	1.584	0.708	30.208	16.960
230	1.589	0.708	30.314	16.962
231	1.590	0.709	30.323	16.988
232	1.596	0.710	30.325	17.072
233	1.598	0.710	30.368	17.094
234	1.604	0.711	30.411	17.184
235	1.610	0.712	30.416	17.189
236	1.612	0.712	30.428	17.188
237	1.613	0.712	30.430	17.189
238	1.614	0.713	30.452	17.241
239	1.615	0.716	30.488	17.370

b) Vehicles having composite hydrocarbon emission limitations of at least 1.25 grams per mile but less than 2.00 grams per mile, and composite carbon monoxide emission limitations of at least 20.0 grams per mile but less than 30.0 grams per mile, in Section 240, Table A or Section 240, Table B:

Second	Hydrocarbons		Carbon Monoxide	
	Composite	Phase 2	Composite	Phase 2
30	0.247	N/A	1.502	N/A
31	0.253	N/A	1.546	N/A
32	0.258	N/A	1.568	N/A
33	0.263	N/A	1.582	N/A
34	0.268	N/A	1.593	N/A
35	0.277	N/A	1.602	N/A
36	0.283	N/A	1.621	N/A
37	0.293	N/A	1.631	N/A
38	0.297	N/A	1.702	N/A
39	0.298	N/A	1.784	N/A
40	0.313	N/A	1.879	N/A
41	0.320	N/A	2.162	N/A
42	0.327	N/A	2.307	N/A

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43	0.342	N/A	2.343	N/A	91	0.727	N/A	4.527	N/A
44	0.360	N/A	2.376	N/A	92	0.729	N/A	4.527	N/A
45	0.376	N/A	2.406	N/A	93	0.731	N/A	4.528	N/A
46	0.389	N/A	2.433	N/A	94	0.734	N/A	4.528	N/A
47	0.408	N/A	2.458	N/A	95	0.740	N/A	4.528	N/A
48	0.423	N/A	2.483	N/A	96	0.748	N/A	4.529	N/A
49	0.434	N/A	2.774	N/A	97	0.759	N/A	4.575	N/A
50	0.444	N/A	2.844	N/A	98	0.771	N/A	4.703	N/A
51	0.454	N/A	2.900	N/A	99	0.783	N/A	4.805	N/A
52	0.465	N/A	2.936	N/A	100	0.793	N/A	4.886	N/A
53	0.472	N/A	3.133	N/A	101	0.810	N/A	4.957	N/A
54	0.478	N/A	3.304	N/A	102	0.823	N/A	5.104	N/A
55	0.485	N/A	3.407	N/A	103	0.836	N/A	5.340	N/A
56	0.493	N/A	3.456	N/A	104	0.853	N/A	5.496	N/A
57	0.500	N/A	3.480	N/A	105	0.871	N/A	5.625	N/A
58	0.505	N/A	3.518	N/A	106	0.887	N/A	5.815	N/A
59	0.514	N/A	3.560	N/A	107	0.899	N/A	6.473	N/A
60	0.537	N/A	3.593	N/A	108	0.931	N/A	7.037	N/A
61	0.540	N/A	3.628	N/A	109	0.947	0.040	7.419	0.246
62	0.543	N/A	3.641	N/A	110	0.957	0.047	7.643	0.257
63	0.546	N/A	3.655	N/A	111	0.965	0.052	7.759	0.286
64	0.551	N/A	3.680	N/A	112	0.971	0.056	7.824	0.379
65	0.559	N/A	3.700	N/A	113	0.977	0.061	7.889	0.425
66	0.567	N/A	3.728	N/A	114	0.983	0.064	7.960	0.457
67	0.575	N/A	3.857	N/A	115	1.003	0.072	8.024	0.477
68	0.588	N/A	3.894	N/A	116	1.030	0.081	8.076	0.494
69	0.595	N/A	3.943	N/A	117	1.041	0.082	8.111	0.504
70	0.601	N/A	3.983	N/A	118	1.050	0.083	8.130	0.512
71	0.606	N/A	4.009	N/A	119	1.052	0.092	8.148	0.519
72	0.610	N/A	4.023	N/A	120	1.055	0.094	8.211	0.529
73	0.617	N/A	4.033	N/A	121	1.061	0.097	8.478	0.529
74	0.631	N/A	4.053	N/A	122	1.071	0.100	8.548	0.530
75	0.643	N/A	4.063	N/A	123	1.081	0.103	8.561	0.531
76	0.651	N/A	4.077	N/A	124	1.091	0.106	8.568	0.532
77	0.659	N/A	4.225	N/A	125	1.102	0.108	8.572	0.533
78	0.667	N/A	4.243	N/A	126	1.110	0.110	8.584	0.548
79	0.676	N/A	4.260	N/A	127	1.116	0.112	8.592	0.610
80	0.681	N/A	4.282	N/A	128	1.121	0.114	8.596	0.614
81	0.685	N/A	4.322	N/A	129	1.125	0.116	8.597	0.622
82	0.689	N/A	4.398	N/A	130	1.128	0.118	8.601	0.631
83	0.694	N/A	4.482	N/A	131	1.130	0.120	8.605	0.640
84	0.700	N/A	4.515	N/A	132	1.132	0.122	8.608	0.646
85	0.705	N/A	4.518	N/A	133	1.134	0.123	8.626	0.650
86	0.709	N/A	4.520	N/A	134	1.135	0.124	8.650	0.652
87	0.713	N/A	4.522	N/A	135	1.143	0.127	8.660	0.738
88	0.717	N/A	4.522	N/A	136	1.147	0.130	8.767	0.754
89	0.721	N/A	4.523	N/A	137	1.156	0.134	9.029	0.780
90	0.724	N/A	4.526	N/A	138	1.163	0.139	9.238	0.795

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91	0.727	N/A	4.527	N/A
92	0.729	N/A	4.527	N/A
93	0.731	N/A	4.528	N/A
94	0.734	N/A	4.528	N/A
95	0.740	N/A	4.528	N/A
96	0.748	N/A	4.529	N/A
97	0.759	N/A	4.575	N/A
98	0.771	N/A	4.703	N/A
99	0.783	N/A	4.805	N/A
100	0.793	N/A	4.886	N/A
101	0.810	N/A	4.957	N/A
102	0.823	N/A	5.104	N/A
103	0.836	N/A	5.340	N/A
104	0.853	N/A	5.496	N/A
105	0.871	N/A	5.625	N/A
106	0.887	N/A	5.815	N/A
107	0.899	N/A	6.473	N/A
108	0.931	N/A	7.037	N/A
109	0.947	0.040	7.419	0.246
110	0.957	0.047	7.643	0.257
111	0.965	0.052	7.759	0.286
112	0.971	0.056	7.824	0.379
113	0.977	0.061	7.889	0.425
114	0.983	0.064	7.960	0.457
115	1.003	0.072	8.024	0.477
116	1.030	0.081	8.076	0.494
117	1.041	0.082	8.111	0.504
118	1.050	0.083	8.130	0.512
119	1.052	0.092	8.148	0.519
120	1.055	0.094	8.211	0.529
121	1.061	0.097	8.478	0.529
122	1.071	0.100	8.548	0.530
123	1.081	0.103	8.561	0.531
124	1.091	0.106	8.568	0.532
125	1.102	0.108	8.572	0.533
126	1.110	0.110	8.584	0.548
127	1.116	0.112	8.592	0.610
128	1.121	0.114	8.596	0.614
129	1.125	0.116	8.597	0.622
130	1.128	0.118	8.601	0.631
131	1.130	0.120	8.605	0.640
132	1.132	0.122	8.608	0.646
133	1.134	0.123	8.626	0.650
134	1.135	0.124	8.650	0.652
135	1.143	0.127	8.660	0.738
136	1.147	0.130	8.767	0.754
137	1.156	0.134	9.029	0.780
138	1.163	0.139	9.238	0.795

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139	1.186	0.146	9.389	0.804	187
140	1.253	0.149	9.493	0.810	188
141	1.262	0.151	9.583	0.815	189
142	1.271	0.153	9.626	0.818	190
143	1.277	0.155	9.669	0.821	191
144	1.283	0.157	9.716	0.825	192
145	1.291	0.162	9.763	0.840	193
146	1.294	0.164	9.809	0.847	194
147	1.296	0.166	9.852	0.855	195
148	1.298	0.168	9.885	0.865	196
149	1.303	0.169	9.932	0.874	197
150	1.316	0.170	9.986	0.891	198
151	1.330	0.171	10.039	0.914	199
152	1.342	0.172	10.072	0.929	200
153	1.348	0.173	10.090	0.937	201
154	1.353	0.175	10.105	0.942	202
155	1.362	0.178	10.146	0.949	203
156	1.365	0.180	10.245	1.375	204
157	1.366	0.189	10.397	1.576	205
158	1.373	0.198	10.923	1.943	206
159	1.397	0.203	11.970	2.820	207
160	1.422	0.207	13.421	3.281	208
161	1.440	0.214	15.289	3.483	209
162	1.452	0.221	15.912	3.620	210
163	1.465	0.229	16.530	4.168	211
164	1.509	0.247	17.622	4.338	212
165	1.533	0.274	18.366	4.682	213
166	1.555	0.309	19.869	5.633	214
167	1.576	0.318	20.711	6.137	215
168	1.598	0.322	22.319	6.853	216
169	1.618	0.333	23.751	7.136	217
170	1.636	0.343	24.842	7.320	218
171	1.666	0.356	25.410	7.685	219
172	1.726	0.385	26.122	8.052	220
173	1.742	0.409	26.353	8.344	221
174	1.756	0.433	26.638	8.602	222
175	1.769	0.463	27.219	9.251	223
176	1.784	0.507	27.279	10.253	224
177	1.802	0.523	27.320	10.828	225
178	1.822	0.528	27.352	10.933	226
179	1.843	0.541	27.822	11.060	227
180	1.864	0.549	28.763	11.188	228
181	1.884	0.559	29.402	11.345	229
182	1.896	0.571	29.971	11.733	230
183	1.915	0.584	30.276	12.598	231
184	1.940	0.598	30.988	12.953	232
185	1.958	0.613	31.095	13.213	233
186					234

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

1.972	0.624	31.314	14.131
1.985	0.629	31.833	14.839
1.991	0.629	32.239	15.137
1.993	0.638	32.547	15.138
1.995	0.648	32.855	15.141
2.001	0.659	33.153	15.595
2.015	0.663	33.444	15.658
2.031	0.671	33.482	15.704
2.047	0.681	33.516	15.722
2.063	0.693	33.549	16.058
2.079	0.709	33.653	16.987
2.094	0.725	33.973	17.064
2.109	0.740	34.159	17.073
2.122	0.754	34.191	17.153
2.130	0.767	34.250	17.332
2.137	0.775	34.469	17.406
2.157	0.787	34.716	17.641
2.172	0.795	34.969	17.922
2.194	0.803	35.144	18.484
2.222	0.854	35.418	18.553
2.245	0.859	35.766	18.658
2.268	0.872	35.949	18.953
2.279	0.892	36.010	19.266
2.288	0.896	36.548	19.309
2.301	0.903	37.179	19.731
2.316	0.924	37.651	19.902
2.332	0.938	38.041	20.012
2.345	0.941	38.591	20.260
2.354	0.951	38.852	20.739
2.362	0.966	38.861	21.346
2.368	0.979	38.926	21.810
2.376	0.980	39.194	22.001
2.384	0.981	39.474	22.290
2.391	1.005	39.668	22.324
2.395	1.016	39.781	22.343
2.400	1.022	39.890	22.522
2.405	1.028	39.954	22.683
2.409	1.035	39.984	22.850
2.413	1.041	39.989	22.853
2.417	1.045	39.990	22.853
2.426	1.051	39.990	22.853
2.428	1.055	39.990	22.872
2.431	1.059	39.991	22.872
2.433	1.064	40.012	22.872
2.441	1.069	40.061	22.895
2.461	1.071	40.116	22.911
2.476	1.072	40.249	22.922
2.488	1.073	40.253	22.939

POLLUTION CONTROL BOARD

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235	2.498	1.081	40.290	23.010
236	2.508	1.083	40.385	23.010
237	2.516	1.084	40.488	23.010
238	2.520	1.085	40.720	23.010
239	2.523	1.086	40.763	23.010
c) Vehicles having composite hydrocarbon emission limitations of 2.00 grams per mile or greater, and composite carbon monoxide emission limitations of 30.0 grams per mile or greater, in Section 240. Table A or Section 240. Table B:				

Second	Hydrocarbons		Carbon Monoxide	
	Composite	Phase 2	Composite	Phase 2
30	0.407	N/A	3.804	N/A
31	0.415	N/A	3.985	N/A
32	0.423	N/A	4.215	N/A
33	0.436	N/A	4.440	N/A
34	0.451	N/A	4.579	N/A
35	0.464	N/A	4.688	N/A
36	0.468	N/A	4.749	N/A
37	0.475	N/A	4.783	N/A
38	0.487	N/A	4.813	N/A
39	0.506	N/A	4.876	N/A
40	0.530	N/A	5.104	N/A
41	0.549	N/A	5.217	N/A
42	0.569	N/A	5.383	N/A
43	0.588	N/A	5.571	N/A
44	0.609	N/A	5.888	N/A
45	0.621	N/A	6.199	N/A
46	0.636	N/A	6.245	N/A
47	0.649	N/A	6.318	N/A
48	0.666	N/A	6.418	N/A
49	0.679	N/A	6.540	N/A
50	0.696	N/A	6.690	N/A
51	0.712	N/A	6.875	N/A
52	0.727	N/A	7.029	N/A
53	0.745	N/A	7.129	N/A
54	0.760	N/A	7.359	N/A
55	0.776	N/A	7.722	N/A
56	0.797	N/A	8.017	N/A
57	0.814	N/A	8.249	N/A
58	0.826	N/A	8.425	N/A
59	0.837	N/A	8.563	N/A
60	0.849	N/A	8.686	N/A
61	0.862	N/A	8.804	N/A
62	0.872	N/A	8.916	N/A
63	0.887	N/A	9.025	N/A
64	0.895	N/A	9.138	N/A
65	0.903	N/A	9.250	N/A

POLLUTION CONTROL BOARD

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66	0.925	N/A	9.354	N/A
67	0.933	N/A	9.457	N/A
68	0.945	N/A	9.575	N/A
69	0.959	N/A	9.728	N/A
70	0.970	N/A	9.939	N/A
71	0.980	N/A	10.140	N/A
72	0.988	N/A	10.222	N/A
73	0.997	N/A	10.261	N/A
74	1.022	N/A	10.278	N/A
75	1.037	N/A	10.290	N/A
76	1.051	N/A	10.715	N/A
77	1.064	N/A	10.790	N/A
78	1.075	N/A	10.844	N/A
79	1.087	N/A	10.921	N/A
80	1.097	N/A	11.010	N/A
81	1.105	N/A	11.090	N/A
82	1.114	N/A	11.136	N/A
83	1.136	N/A	11.136	N/A
84	1.160	N/A	11.165	N/A
85	1.182	N/A	11.191	N/A
86	1.201	N/A	11.205	N/A
87	1.217	N/A	11.211	N/A
88	1.233	N/A	11.211	N/A
89	1.248	N/A	11.211	N/A
90	1.262	N/A	11.211	N/A
91	1.271	N/A	11.220	N/A
92	1.279	N/A	11.294	N/A
93	1.287	N/A	11.332	N/A
94	1.295	N/A	11.355	N/A
95	1.302	N/A	11.383	N/A
96	1.309	N/A	11.410	N/A
97	1.316	N/A	11.433	N/A
98	1.325	N/A	11.516	N/A
99	1.339	N/A	11.820	N/A
100	1.356	N/A	12.104	N/A
101	1.365	N/A	12.344	N/A
102	1.378	N/A	12.781	N/A
103	1.397	N/A	13.472	N/A
104	1.420	N/A	14.405	N/A
105	1.445	N/A	14.808	N/A
106	1.470	N/A	14.965	N/A
107	1.491	N/A	15.121	N/A
108	1.506	N/A	15.372	N/A
109	1.517	0.151	15.530	1.113
110	1.528	0.159	15.687	1.213
111	1.542	0.172	16.018	1.344
112	1.559	0.186	16.527	1.399
113	1.578	0.199	16.810	1.520

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114	1.594	0.207	16.961	1.640	162
115	1.605	0.216	17.120	1.684	163
116	1.615	0.229	17.135	1.693	164
117	1.625	0.235	17.249	1.786	165
118	1.642	0.240	17.451	2.007	166
119	1.670	0.245	17.509	2.084	167
120	1.694	0.261	17.605	2.179	168
121	1.705	0.267	17.734	2.264	169
122	1.717	0.277	18.049	2.328	170
123	1.732	0.287	18.447	2.375	171
124	1.747	0.298	18.592	2.437	172
125	1.763	0.308	18.657	2.543	173
126	1.779	0.316	18.796	2.593	174
127	1.795	0.329	18.952	2.641	175
128	1.810	0.329	19.137	2.663	176
129	1.823	0.338	19.329	2.672	177
130	1.835	0.346	19.519	2.676	178
131	1.845	0.354	19.707	2.683	179
132	1.854	0.356	19.882	2.817	180
133	1.862	0.357	19.905	2.992	181
134	1.870	0.359	20.049	3.111	182
135	1.883	0.362	20.460	3.234	183
136	1.888	0.364	20.746	3.304	184
137	1.896	0.368	21.068	3.310	185
138	1.911	0.378	21.380	3.320	186
139	1.928	0.391	21.748	3.354	187
140	1.949	0.402	22.046	3.436	188
141	1.969	0.408	22.348	3.443	189
142	1.982	0.422	22.397	3.452	190
143	1.999	0.428	22.407	3.490	191
144	2.011	0.432	22.417	3.552	192
145	2.022	0.434	22.922	3.588	193
146	2.035	0.439	22.951	3.600	194
147	2.043	0.450	22.976	3.616	195
148	2.049	0.460	23.017	3.627	196
149	2.063	0.467	23.073	3.636	197
150	2.085	0.472	23.161	3.676	198
151	2.104	0.480	23.218	3.882	199
152	2.117	0.491	23.253	4.011	200
153	2.127	0.503	23.337	4.047	201
154	2.138	0.505	23.425	4.067	202
155	2.152	0.515	23.534	4.081	203
156	2.168	0.522	23.652	4.116	204
157	2.186	0.527	23.739	4.251	205
158	2.205	0.537	24.606	5.099	206
159	2.224	0.549	25.615	5.383	207
160	2.242	0.568	26.073	6.362	208
161	2.268	0.586	28.496	7.926	209

POLLUTION CONTROL BOARD

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162	2.308	0.610	29.772	8.429
163	2.352	0.648	31.056	9.201
164	2.406	0.677	33.351	10.825
165	2.421	0.699	34.890	12.291
166	2.435	0.720	35.937	13.366
167	2.470	0.738	37.012	14.428
168	2.501	0.767	37.892	15.318
169	2.537	0.828	39.028	15.699
170	2.571	0.855	40.406	16.073
171	2.625	0.869	41.379	16.475
172	2.657	0.885	42.033	17.158
173	2.683	0.900	42.432	17.532
174	2.701	0.941	42.742	17.965
175	2.717	0.979	43.399	18.242
176	2.732	1.002	43.895	18.283
177	2.756	1.025	44.227	18.480
178	2.781	1.047	44.926	19.576
179	2.811	1.065	45.256	20.015
180	2.853	1.089	45.553	20.203
181	2.898	1.109	45.753	20.433
182	2.946	1.133	46.210	21.025
183	2.988	1.158	47.017	21.882
184	3.023	1.184	48.185	22.204
185	3.057	1.209	48.741	22.859
186	3.076	1.222	49.462	23.533
187	3.101	1.231	50.313	24.281
188	3.120	1.239	51.285	25.078
189	3.136	1.254	52.076	25.276
190	3.151	1.278	52.857	25.578
191	3.163	1.300	52.876	25.859
192	3.209	1.313	53.067	25.985
193	3.223	1.324	53.777	26.153
194	3.237	1.340	54.242	26.582
195	3.263	1.376	54.489	27.067
196	3.302	1.387	54.601	27.456
197	3.338	1.402	54.912	27.805
198	3.372	1.417	55.588	28.070
199	3.390	1.432	56.266	28.590
200	3.428	1.446	56.617	28.914
201	3.470	1.460	56.863	29.063
202	3.493	1.477	57.204	29.502
203	3.509	1.492	57.371	29.697
204	3.522	1.501	57.487	29.713
205	3.533	1.510	57.728	29.783
206	3.550	1.522	58.097	29.942
207	3.578	1.561	58.572	30.284
208	3.607	1.585	59.024	30.755
209	3.630	1.597	59.321	31.287

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210	3.658	1.607	59.715	31.549
211	3.701	1.627	60.045	31.820
212	3.745	1.645	60.453	32.250
213	3.776	1.656	60.935	32.546
214	3.814	1.663	61.307	32.808
215	3.825	1.669	61.666	33.142
216	3.835	1.671	62.148	33.529
217	3.844	1.685	62.532	33.763
218	3.853	1.705	62.546	33.921
219	3.864	1.711	62.559	33.961
220	3.874	1.735	62.570	33.983
221	3.891	1.752	62.846	34.007
222	3.928	1.760	63.097	34.032
223	3.966	1.774	63.150	34.054
224	4.008	1.778	63.150	34.061
225	4.010	1.797	63.150	34.082
226	4.012	1.802	63.150	34.100
227	4.016	1.804	63.150	34.109
228	4.019	1.806	63.150	34.129
229	4.057	1.810	63.150	34.284
230	4.065	1.814	63.150	34.397
231	4.072	1.827	63.150	34.463
232	4.081	1.833	63.150	34.465
233	4.104	1.837	63.150	34.466
234	4.124	1.841	63.150	34.468
235	4.128	1.845	63.159	34.470
236	4.132	1.851	63.173	34.471
237	4.137	1.855	63.193	34.472
238	4.147	1.857	63.214	34.472
239	4.158	1.860	63.233	34.473

(Source: Added at 22 Ill. Reg. _____ effective _____)

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Illinois Landscape Architecture Act of 1989
- 2) Code Citation: 68 Ill. Adm. Code 1275
- 3) Section Numbers: Proposed Action:
1275.10 Repealed
1275.20 Amendment
1275.30 Amendment
1275.40 Amendment
1275.50 Amendment
1275.60 Amendment
1275.70 Amendment
- 4) Statutory Authority: Illinois Landscape Architecture Act of 1989 [225 ILCS 315].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking repeals the outdated grandfather provisions and updates Sections pertaining to approved programs, experience, applications and examinations. Clarifies that the two years required experience is to be completed prior to applying. Prohibits licensees in good standing in Illinois from taking an examination here. Changes the passing score on the examination from 75 to the passing score established by the testing entity.
- 6) Will this rulemaking replace any emergency rulemaking currently in effect?
No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? No
- 9) Are there any other proposed rulemakings pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking has no impact on local government.
- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may submit written comments to:

Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax #: 217/782-7645

All written comments received within 45 days of this issue of the Illinois Register will be considered.

DEPARTMENT OF PROFESSIONAL REGULATION

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12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Those providing the services of landscape architects.

B) Reporting, bookkeeping or other procedures required for compliance:
None

C) Types of professional skills necessary for compliance: Landscape architecture skills are necessary for licensure.

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the Proposed Amendment begins on the next page:

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1275

THE ILLINOIS LANDSCAPE ARCHITECTURE ACT OF 1989

Section	
1275.10	Application for Registration Under Section 11(e) of the Act (Grandfather) <u>(Repealed)</u>
1275.20	Approved Programs
1275.30	Experience
1275.40	Application for Examination
1275.50	Examination
1275.60	Endorsement
1275.70	Renewal
1275.80	Restoration
1275.90	Granting Variances

AUTHORITY: Implementing the Illinois Landscape Architecture Act of 1989 and authorized by Section 60(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/60(7)].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 3324, effective February 11, 1991, for a maximum of 150 days; adopted at 15 Ill. Reg. 10091, effective June 24, 1991; amended at 16 Ill. Reg. 10458, effective June 22, 1992; amended at 22 Ill. Reg. _____, effective _____.

Section 1275.10 Application for Registration Under Section 11(e) of the Act (Grandfather) (Repealed)

Those persons seeking registration without examination under Section 11(e) of the Illinois Landscape Architecture Act of 1989 (P.A. 86-932, effective September 17, 1988) (the "Act") shall file an application with the Department on forms provided by the Department of Professional Regulation (the "Department").

a) Such application shall be postmarked no later than midnight--September 17, 1992--and shall include the following:

i) Education/Experience

A) Verification on forms provided by the Department of 2 years of full-time actual, practical experience in landscape architecture as defined in subsection (b) below--and certification of graduation or an official transcript from a college, school or university offering an accredited program in landscape architecture--(for purpose of this Section accredited programs are those--landscape--architecture programs--accredited--by--the--landscape--architectural Accreditation Board--); or

DEPARTMENT OF PROFESSIONAL REGULATION

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B) Verification--on--forms--provided--by--the--Department--of--at least--7--years--of--full--time--actual--practical--experience--in landscape--architectural--work--as--defined--in--subsection--(b) below--At--least--4--of--those--years--shall--have--been--immediately--prior--to--September--17--1999.

2) Verification--of--landscape--architectural--experience--signed--by--the employee--or--three--professional--references--from--peers--or--clients familiar--with--the--applicant's--work;

3) A--complete--work--history--and

4) The--required--fee--set--forth--in--Section--14(f)(1) of--the--Act;

5) If--the--applicant--has--ever--been--licensed--/registered--in--another state--or--territory--of--the--United--States--he--shall--also--submit--a certification--on--forms--provided--by--the--Department--from--the state--or--territory--of--the--United--States--in--which--he--was originally--licensed--and--the--state--in--which--the--applicant predominantly--practices--and--is--currently--licensed--or certification--by--the--Council--of--Landscape--Architectural Registration--Boards--(CBARB)--stating:

A) The--time--during--which--the--applicant--was--registered--in--that jurisdiction--including--the--date--of--the--original--issuance--of the--license;

B) A--description--of--the--examination--in--that--jurisdiction;

C) Whether--the--file--on--the--applicant--contains--any--record--of disciplinary--actions--taken--or--pending;

b) For--purposes--of--this--Section--actual--practical--experience--in landscape--architecture--is--that--experience--which--meets--the--definition of--landscape--architectural--practice--as--defined--in--Section--3(f) of--the Act;

c) All--experience--shall--be--completed--prior--to--applying--for--license;

d) When--the--accuracy--of--any--submitted--documentation--of--the--relevance--or sufficiency--of--the--course--work--or--experience--is--questioned--by--the Department--or--the--Illinois--Landscape--Architect--Registration--Board--(the "Board")--because--of--discrepancies--or--conflicts--in--information--information--needing--further--clarification--and/or--missing--information--the--applicant--seeking--registration--shall--be--requested--in--writing--to: 1) Provide--such--information--as--shall--be--necessary--and/or 2) Explain--such--relevance--or--sufficiency--during--an--oral--interview; or

3) Appear--for--an--interview--before--the--Board--when--the--information available--to--the--Board--is--insufficient--to--evaluate--the individual's--qualifications--for--license;

e) Any--applicant--who--sits--for--an--examination--for--registration--as--a Landscape--Architect--in--Illinois--shall--not--be--eligible--for--registration under--this--Section.

(Source: Repealed at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

Section 1275.20 Approved Programs

a) The Department of Professional Regulation (the "Department") shall approve a landscape architecture program if it meets the following minimum criteria:

1) The institution is legally recognized and authorized by the jurisdiction in which it is located to confer the landscape architecture degree;

2) Has a faculty which comprises a sufficient number of full-time instructors to make certain that the educational obligations to the student are fulfilled. The faculty must have demonstrated competence as evidenced by appropriate degrees in their area(s) of teaching from professional colleges or institutions.

3) Has a designated program director.

4) Has an undergraduate first-professional baccalaureate degree which is at least 4 academic years in duration and/or has a graduate first-professional master's degree which is at least 3 academic years in duration.

5) Has a designated title and degree description incorporating the term "Landscape Architecture."

6) Has a curriculum which shall include, but not be limited to, the following:

A) Landscape Architecture History

B) Professional Practice

C) Landscape Design, Planning and Management

D) Design Implementation

7) The Department or Board may require additional information in order to evaluate the program.

b) In determining whether a program shall be approved, the Department shall take into consideration, but not be bound by, accreditation or approval by the Landscape Architecture Accreditation Board.

c) The Department has determined that all landscape architecture programs accredited or approved by the Landscape Architecture Accreditation Board as of January 1, 1998 September--17--1999, meet the minimum criteria set forth in this Section and are, therefore, approved.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1275.30 Experience

a) Verification, on forms provided by the Department, of 2 years of professional experience in landscape architecture practice as defined in Section 3(f) of the Act.

b) Satisfactory experience in the practice of landscape architecture shall include, but not be limited to:

1) Work in a landscape architect's office;

2) Teaching landscape architecture in an approved program;

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

- 3) Conducting or participating in research in landscape architecture;
- 4) Work in the office of an architect who is authorized to practice in the jurisdiction in which he is located; work in the office of an engineer who is authorized to practice in the jurisdiction in which he is located; work in a government agency.
- c) All experience shall be under the direct supervision of a landscape architect, architect or engineer. Prior-to-January-17-1993--an applicant--who--is--self-employed--shall--submit--three--professional references--from--peers--or--clients--familiar--with--the--applicant's--work--
- d) One year of experience credit is defined as full-time employment for 52 weeks with a minimum of 30 hours per week. An applicant shall not receive experience credit for overtime.
- e) Part-time employment shall be counted as one half week for each 15 hours of employment per week.
- f) Employment with one employer of less than 2 months shall not be counted toward fulfillment of the experience requirement.
- g) Experience credit shall be acquired only after completion of the third year of a landscape architecture program/curriculum provided however, that no experience credit can be acquired if the individual is receiving educational credit for such experience.
- h) At least one year of full-time experience shall be obtained after graduation from an approved program.
- i) A master's degree in landscape architecture from an approved program shall be accepted in lieu of one year of practical experience.

Until-January-17-1993--an applicant--shall--satisfy--one--of--the--following combinations--of--education--and--experience:

- 1) A-bachelor's-degree--in--landscape--architecture--and--2--years--of experience--or
- 2) A--bachelor's--or--master's--degree--in--a--landscape--architecture related--field--and--4--years--of--experience-----A--landscape architecture--related--field--is--defined--as--architecture, environmental-design, civil-engineering, urban-design, urban planning-and-horticulture, or
- 3) Completion--of--at--least--3--years--of--educational--credits--toward--a degree--in--landscape--architecture--and--5--years--of--experience--or
- 4) An-associate-degree--in--landscape--architecture/design--and--6--years of-experience--or
- 5) At--least--2--years--of--education--(every--course--in--landscape architecture/design)--as--approved--by--the--Board--and--6--years--of experience--

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1275.40 Application for Examination

- a) An applicant for examination shall file an application, on forms

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

supplied by the Department, at least 120 days prior to an examination date. The application shall include:

- 1) Certification of graduation from an approved landscape architecture program as set forth in Section 1275.20 of this Part;
 - 2) Two years of experience as defined in Section 1275.30 of this Part completed prior to application with the Department;
 - 3) Prior-to-January-17-1993--certification--of--a--combination--of education--and--experience--required--in--subsection--1275.30(f)--of this-Part--4) A complete work history since graduation; and
 - 4) 5) The fees fee required by Section 14(a)(1) and (2) of the Act.
- The Prior-to-January-17-1993--the Department shall accept certification--from--CBARB--in--lieu--of--the--examination--After--that--date the-Department--will accept CUARB certification verifying passage of the Landscape Architect Registration Examination (L.A.R.E.).
- Any--applicant--who--elects--to--apply--for--examination--and--sits--for--such examination--in--Illinois--shall--not--be--eligible--for--registration--under the--grandfather-provisions--set--forth--in--Section--1275.10--of--this-Part--4) Any person who is currently registered in good standing in Illinois shall not be admitted to an examination in Illinois. However, in no way shall this limit the Department's ability to require reexamination for restoration or enforcement purposes.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1275.50 Examination

- a) The examination for registration as a landscape architect shall be the Landscape Architect Registration Examination (L.A.R.E.) of the Council of Landscape Architectural Registration Boards. (The Uniform National Examination is known as the Landscape Architect Registration Examination).1
- b) The passing score on the examination shall be the passing score established by the testing entity in-order-to--be--successful--in--the examination--an--applicant--shall--receive--a--score--of--75--or--greater--in each-section.
- c) If an applicant fails to pass an examination for registration under the Act within three years after filing the application, the application shall be denied. However, such applicant may thereafter make a new application for examination, accompanied by the required fee, and meet the requirements for registration at the time of application.
- d) The examination for licensure of a landscape architect shall be administered at least once a year.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF PROFESSIONAL REGULATION

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Section 1275.60 Endorsement

a) An applicant for registration as a landscape architect who is registered under the laws of another state or territory of the United States shall file an application with the Department, on forms provided by the Department, which includes:

- 1) Certification, on forms provided by the Department, of a landscape architecture degree from a program approved by the Department in accordance with Section 1275.20 of this Part; or
- prior-to-January-17-1993--meeting--the--education--experience requirements-set-forth-in-Section-1275.30(f)-of-this-Part;
- 2) Certification, on forms provided by the Department, of professional experience as set forth in Section 1275.30 of this Part;

3) In lieu of the certifications required in subsections **subsection** (a)(1) and (a)(2), the Department shall accept certification from the Council of Landscape Architectural Registration Boards;

4) Certification, on forms provided by the Department, from the state or territory of the United States in which the applicant was originally licensed and the state in which the applicant predominantly practices and is currently licensed, stating:

- A) The time during which the applicant was licensed;
- B) Whether the file of the applicant contains any record of any disciplinary actions taken or pending; and
- C) Examination(s) taken and examination score(s) received;
- 5) A complete work history; and

6) The required fee as set forth in Section 14(a)(3) of the Act. The Department may require additional information to determine if the requirements in the state or territory were substantially equivalent to the requirements then in effect in Illinois at the time of application to determine whether the requirements of another state or territory together with education and professional experience qualifications of the applicant are substantially equivalent to the requirements in Illinois at the time of application. The Department, upon recommendation of the Board, shall determine substantial equivalency based on, but not limited to, certification from the CLARB; education, training, and experience, including, but not limited to, whether the applicant **he** has achieved special honors or awards, has had articles published in professional journals, **or** has written textbooks relating to landscape architecture; and any other attribute **which** the Director accepts as evidence that such applicant has outstanding and proven ability in landscape architecture. The Department shall either issue a registration by endorsement to the applicant or notify the applicant **him** in writing of the reasons for the denial of the **his** application.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

Section 1275.70 Renewal

a) Every ~~the--first--renewal--period--for--registration--issued--under--the--Act~~ **shall--be--August--31--1993--whereafter--every** license issued under the Act shall expire on August 31 of odd numbered years. The holder of a registration may renew such registration during the month preceding the expiration date thereof by paying the required fee.

b) It is the responsibility of each registrant to notify the Department of any change of address. Failure to receive a renewal form from the Department shall not constitute an excuse for failure to pay the renewal fee or to renew one's registration.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULEMAKING

1) Heading of the Part: Renewable Energy Resources and Coal Technology Development Assistance Charge

2) Code Citation: 86 Ill. Adm. Code 517

3) Section Numbers: Proposed Action:

517.100 New Section

517.110 New Section

517.120 New Section

517.130 New Section

4) Statutory Authority: 20 ILCS 2505/39b19 and 20 ILCS 605/46.20. Pursuant to 5 ILCS 220, an Interagency Agreement was entered into on January 27, 1998 by and between the Illinois Department of Commerce and Community Affairs and the Illinois Department of Revenue, the terms of which granted collection authority under the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, P.A. 90-561, to the Department of Revenue.

5) A Complete Description of the Subjects and Issues Involved: Provides that municipal electric utilities or electric cooperatives that make affirmative decisions to impose the Renewable Energy Resources and Coal Technology Development Assistance Charge shall inform the Department of Revenue in writing of that decision when they begin their imposition of the charge. Provides that monthly returns are due on or before the 20th day of the month following the month the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected. Also sets forth the information required to be included on the return.

6) Will this proposed rule replace an emergency rule currently in effect?
yes

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rulemaking contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rule may submit them in writing by no later than 45 days after publication of this notice to:

Melanie Jarvis
Terry Charlton

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULEMAKING

Associate Counsels
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794
217/782-6996

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: This rulemaking may affect small businesses, small municipalities and not-for-profit corporations that operate electric or gas utilities.

B) Reporting, bookkeeping or other procedures required for compliance: Filing of monthly returns required by utilities and cooperatives assessing the Renewable Energy Resources and Coal Technology Development Assistance Charge. Also requires municipal electric utilities or electric cooperatives to notify the Department of Revenue in writing if they affirmatively decide to assess the charge.

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on either of the 2 most recent agendas because: This rulemaking was not anticipated by the Department when the two most recent regulatory agendas were published.

The full text of the Proposed Rulemaking is identical to the text of the Emergency Rulemaking which appears in this issue of the Illinois Register on page _____.

SECRETARY OF STATE

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Regulations under the Business Opportunity Sales Law of 1995
- 2) Code Citation: 14 Ill. Adm. Code 135
- 3) Section Numbers: Proposed Action:
 135.50 Amend
 135.100 Amend
 135.352 Amend
 135.500 Amend
 135.801 Repeal
 135.2130 Amend
- 4) Statutory Authority: 815 ILCS 602
- 5) A Complete Description of the Subjects and Issues Involved:

Section 135.50 - Amends the definition of initial payment to clarify a term that is included in the Business Opportunity Sales Law.

Section 135.100 - Clarifies orders granting exemptions are effective for 12 months.

Section 135.352 - Indicates that updating disclosure information is also required for renewal applications.

Section 135.500 - Provides bonds may be posted in lieu of minimum net worth requirements, when certain representations are made. Changes a violation of the Act to a per se violation when a misrepresentation of a guarantee is made.

Section 135.801 - Repeals scope of the law because the Business Opportunity Sales Law contains a jurisdiction statement.

Section 135.2130 - Amends the Section to provide that the date of the filing of a document is the date of delivery and payment of any fees due the Department.

6) Will these proposed rules replace an emergency rule(s) currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed rules contain incorporation by reference? No

9) Are there any other proposed amendments pending on this Part? No

SECRETARY OF STATE

NOTICE OF PROPOSED AMENDMENTS

- 10) Statement of Statewide Policy Objectives: No State mandates impact.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking:

Dirk May
 Illinois Securities Department
 Lincoln Tower, Suite 200
 520 South Second Street
 Springfield, IL 62701
 (217) 782-2256

All comments must be in writing.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Small businesses selling business opportunities.

B) Reporting, bookkeeping or other procedures required for compliance: No additional requirements.

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

SECRETARY OF STATE

NOTICE OF PROPOSED AMENDMENTS

TITLE 14: COMMERCE

SUBTITLE A: REGULATION OF BUSINESS

CHAPTER I: SECRETARY OF STATE

PART 135

REGULATIONS UNDER THE BUSINESS OPPORTUNITY SALES LAW OF 1995

SUBPART A: DEFINITIONS

Section
135.50 Definitions of Terms as Used in the Act and the Rules

SUBPART B: EXEMPTIONS

Section
135.100 Exemption by Order

SUBPART C: REGISTRATION OF BUSINESS OPPORTUNITIES

Section
135.300 Complete Filing
135.301 Procedures for Withdrawal of Pending Application or Termination of Registration of a Business Opportunity
135.302 Procedure with Respect to Abandoning Incomplete Applications for Registration of a Business Opportunity
135.303 Procedures for Renewal of Registration of a Business Opportunity Under Section 5-30(e) of the Act
135.350 Disclosure Document
135.351 Additional Required Disclosure from Seller-Guarantors
135.352 Required Amendments to Disclosure Filing
135.353 Material Change
135.356 Additional Fees
135.500 Minimum Net Worth or Surety Bond Requirement
135.501 Report of Sale Requirements

SUBPART D: PROCEDURES FOR ADMINISTRATIVE HEARINGS

Section
135.700 Hearings

SUBPART E: SERVICE OF PROCESS

Section
135.800 Service of Process upon the Secretary of State
135.801 Scope of the Law [Repealed]

SUBPART F: VIOLATIONS

Section

SECRETARY OF STATE

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135.950 Fraudulent Practices

SUBPART G: EVIDENTIARY MATTERS AND NON-BINDING STATEMENTS

Section
135.1300 Request for Non-Binding Statements

SUBPART H: PUBLIC INFORMATION

Section
135.1400 Inspection of Business Opportunity Records
135.1401 Non-Public Distribution of Information

SUBPART I: RULES OF GENERAL APPLICATION

Section
135.2100 Business Hours of the Securities Department
135.2101 Computation of Time
135.2110 Payment of Fees
135.2120 Place of Filing
135.2130 Date of Filing
135.2140 Requirements as to Proper Form
135.2141 Additional Information
135.2143 Information Unknown or Not Reasonably Available
135.2144 Requirements as to Paper, Printing and Language
135.2145 Number of Copies--Signatures
135.2190 Provisions For Granting of Variance from Rules

AUTHORITY: Implementing and authorized by the Business Opportunity Sales Law of 1995 [815 ILCS 602].

SOURCE: Adopted by emergency rulemaking at 20 Ill. Reg. 584, effective January 1, 1996, for a maximum of 150 days; adopted at 20 Ill. Reg. 7963, effective May 30, 1996; amended at 22 Ill. Reg. _____, effective _____.

SUBPART A: DEFINITIONS

Section 135.50 Definitions of Terms as Used in the Act and the Rules

a) As used in this Part, unless the context otherwise requires, the term:

"Act" means the Business Opportunity Sales Law of 1995 [815 ILCS 602] and this Part.

"Advertising" means any circular, prospectus, advertisement, or other material or any communication by radio, television, pictures or the transmittal or sending of any communication via

SECRETARY OF STATE

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the non-profit, nonprofit, public computer network (commonly known as the "Internet") or similar means used in connection with an offer or sale of any business opportunity.

"Affiliate" of, or a person "affiliated" with, a specified person means a person who, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

"Applicant" means the person making application for registration.

"Consideration" as set forth in Section 5-35(a) of the Act includes, without limitation, fully refundable deposits and postdated checks.

"Date of filing" means the date that all of the required documents are received by the Securities Department and all the required fees are paid to the Secretary of State. A document shall not be deemed to be filed if any material information required by the Act or this Part is omitted or the document is illegible.

"Director" means any director of a corporation or any person performing similar functions with respect to any organization whether incorporated or unincorporated.

"Employee" does not include a director, trustee or officer.

"Federal Banking Act of 1933" means the Federal Banking Act of 1933 (12 U.S.C. 227), and the Rules and Regulations thereunder as in effect on January 1, 1996.

"Hearing" means a proceeding conducted by the Securities Department in which the rights, privileges, immunities, duties or obligations of any person or party are required by law to be determined by the Secretary of State only after opportunity for a hearing.

"Initial payment" as set forth in Section 5-10(b) of the Act:

shall include any form of a payment which evidences a financial obligation on the part of the purchaser, including, without limitation, a lump sum payment or a note evidencing installment debt;

shall include any form of payment or payments required to start the business opportunity that are made during a period from any time before and within six months after commencing

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operation of the purchaser's business opportunity ~~be--the payment, in whatever form, that--is--made-at-the-time-of purchaser, inclusive of payment for, without limitation, services, supplies, sales material, samples and inventory (inclusive of shipping and handling costs); and~~

does not include any cash payment by any purchaser not exceeding \$500 if the payment is made for the not-for-profit sale of demonstration equipment, material or samples, or the payment is made for product inventory sold to the purchaser at a bona fide wholesale price.

"Material", when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which there is a substantial likelihood that a reasonable person would consider important.

"Officer" means the president; any vice president in charge of a principal business unit, division or function; the secretary; the treasurer; any principal financial officer, comptroller or principal accounting officer; any other officer performing a principal policy-making function and any other person performing similar functions with respect to any organization whether incorporated or unincorporated.

"Principal" means any officer, director, partner, member, trustee or manager who is responsible for the supervision and management of the daily business operations in this State of a business opportunity required to be registered under the Act.

"Purchaser" means a person who enters into a contract or agreement for the acquisition of a business opportunity or a person to whom an offer to sell a business opportunity is directed.

"Rules" refers to all rules adopted by the Secretary of State pursuant to the Act.

"Secretary of State" means the Securities Department of the Office of the Secretary of State or the Securities Director or his or her designee, as the case may be.

"Section" refers to a Section of this Part unless a reference to the Act is specifically made.

b) A Section in this Part which defines a term without express reference to the Act or to this Part or to a portion thereof or hereof defines such term for all purposes as used both in the Act and in this Part.

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Terms defined in the Act and not defined in this Part have the meanings given them in the Act.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART B: EXEMPTIONS

Section 135.100 Exemption by Order

a) Pursuant to Section 5-10(h) of the Act, the Secretary of State may by Order exempt the sale of business opportunities from the requirements of the Act. The Secretary of State will consider whether to issue such an Order upon receipt of the following submissions:

- 1) a cover letter describing the basis for the exemption by referencing to this Section and to Section 5-10(h) of the Act;
 - 2) a description and business history of the applicant, the amount and form of payment and any additional fees, costs or charges relating to the business opportunity for which an exemption is being sought;
 - 3) a description of the applicant's litigation history as stated in Section 5-35(b)(6)(A) and (7) of the Act;
 - 4) a description of any bankruptcy petition filed by or against the applicant, its officers, directors or predecessors within the last ten years;
 - 5) a copy of the contract or agreement of sale relating to the business opportunity which is sought to be subject to the order of exemption;
 - 6) copies of any promotional materials relating to the business opportunity for which an exemption is being sought;
 - 7) a list of all sales and advertisements in Illinois for the past five years;
 - 8) a list of administrative agencies which have issued or denied exemptions, along with copies of the exemptions and any opinions relating thereto;
 - 9) a statement of the number of units sold, in the prior twelve-month period, as business opportunities by the applicant in the United States and in Illinois;
 - 10) a statement of the number of business opportunities the applicant intends to offer for sale in Illinois in the following 12 month period;
 - 11) a copy of any prospectus or other offering circular used by the applicant in the offer or sale of the subject business opportunity; and
 - 12) a certification of facts.
- b) Exemption requests will be granted only when in the public interest. An exemption will be considered in the public interest under the following circumstances:

SECRETARY OF STATE

NOTICE OF PROPOSED AMENDMENTS

- 1) the applicant intends to sell no more than two business opportunities in Illinois in the ensuing twelve months;
- 2) the litigation and bankruptcy history described in subsections (a)(3) and (4) of this Section is not materially adverse to the interest of the prospective business opportunity purchasers; and
- 3) the applicant agrees to provide the business opportunity purchasers with disclosure as required by Section 5-35(b) of the Act or Section 135.350 of this Part.

c) Orders granting an exemption pursuant to this Section shall remain in effect for 12 months.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART C: REGISTRATION OF BUSINESS OPPORTUNITIES

Section 135.352 Required Amendments to Disclosure Filing

In addition to filing the most current disclosure document at the time of application for registration or renewal pursuant to Section 5-30 of the Act, or for an exemption by order pursuant to Section 135.100 of this Part, sellers shall be required to amend the filing with the following information:

- a) the most recent annual report of financial condition shall be due no later than the first day of the fourth month following the date of the audited financials; and
- b) material changes or amendments to the information provided in the disclosure document shall be reported to the Secretary of State no later than ten business days after the seller should reasonably have known of the occurrence of such change or amendment.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 135.500 Minimum Net Worth or Surety Bond Requirement

a) ~~The minimum net worth of the seller shall at all times be at least equal to the seller's liabilities plus the aggregate of any contingent obligations represented by outstanding guarantees to purchasers of business opportunities, but not less than \$25,000.~~

a)b) In lieu of the minimum net worth requirement set forth in Section 5-50 of the Act, the seller may post a surety bond issued by a surety company authorized to do business in this State. The surety bond shall:

- 1) be in an amount equivalent to the aggregate of the amount of outstanding guarantees on sales made in this State within the meaning of Section 5-80 of the Act;
- 2) shall remain in effect for the duration of the guarantee(s) or representation(s) giving rise to the surety bond requirement; and

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- 3) shall be in favor of this State for the benefit of purchasers.
b) Any sale made in this State within the meaning of Section 5-80 of the Act which makes use of representations of guarantee pursuant to Section 5-5.10(a)(4) of the Act when the seller knows or reasonably should know that the guarantee is not covered or is insufficiently covered in the aggregate with other guarantees of the seller, is a per se violation of Section 5-95(3) of the Act.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART E: SERVICE OF PROCESS

Section 135.801 Scope of the Law (Repealed)

~~The registration and disclosure requirements under the Act or this Part shall apply only to the offer or sale of a business opportunity in this State to a purchaser who is domiciled in this State or where the offer of the business opportunity is made or accepted in this State and the business opportunity is or will be located in this State.~~

(Source: Repealed at 22 Ill. Reg. _____, effective _____)

SUBPART I: RULES OF GENERAL APPLICATION

Section 135.2130 Date of Filing

- a) The date of filing of any document required to be filed with the Securities Department shall be the date of delivery of the document and any required fee to the Securities Department in Springfield or Chicago, Illinois, as specified in Section 135.2120 of this Part, or if a document or fee is sent by United States registered mail, certified mail or certificate of mailing, a record authenticated by the United States Postal Service of such registration, certification or certificate shall be considered competent evidence that the document or fee was mailed on the date shown on the record.

- b) A document may not be deemed to be filed with the Secretary of State unless all requirements of the Act and this Part with respect to such filing have been complied with and the required fee has been paid.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: College Savings Bond Bonus Incentive Grant (BIG) Program

- 2) Code Citation: 23 Ill. Adm. Code 2771

- 3) Section Numbers: Proposed Action:
2771.10 Amendment
2771.20 Amendment
2771.30 Amendment
2771.APPENDIX A Amendment

- 4) Statutory Authority: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

Sections 2771.20(b) and 2771.30(b) have been revised in response to a formatting suggestion made by JCAR staff. In Sections 2771.20(b)(4) and 2771.30(a)(1), language has been added to clarify that Bonus Incentive Grants may be used by recipients only at eligible non-profit institutions. Although Public Act 90-122 expanded eligibility for certain ISAC-administered gift-assistance programs to qualifying proprietary institutions, these institutions are specifically excluded from participation in the BIG program by the Baccalaureate Savings Act [110 ILCS 920/3(b)]. And finally, the Table of Grant Amounts contained in Section 2771.APPENDIX A has been updated to include the most recent sale of College Savings Bonds, which took place in October of 1997.

- 6) Will these proposed amendments replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Do these proposed amendments contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State

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Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2771

COLLEGE SAVINGS BOND BONUS INCENTIVE GRANT (BIG) PROGRAM

Section

2771.10 Summary and Purpose

2771.20 Applicant Eligibility

2771.30 Program Procedures

2771.40 Institutional Procedures

APPENDIX A Table of Grant Amounts

AUTHORITY: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15800, effective October 21, 1991, for a maximum of 150 days; emergency expired on March 19, 1992; adopted at 16 Ill. Reg. 6873, effective April 14, 1992; amended at 18 Ill. Reg. 10246, effective July 1, 1994; amended at 19 Ill. Reg. 8312, effective July 1, 1995; amended at 20 Ill. Reg. 9136, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11018, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2771.10 Summary and Purpose

a) The Baccalaureate Savings Act [110 ILCS 920/8] authorizes the sale of Illinois college savings bonds and provides for a grant program as an additional financial incentive to encourage the use of proceeds from matured bonds at Illinois colleges or universities.

b) This Part establishes rules which govern the Bonus Incentive Grant (BIG) Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

c) The purpose of this Part is to establish the conditions and procedures for a bondholder ~~bond-holder~~ to designate a student beneficiary as the recipient of a BIG Bonus-Incentive-Grant and to outline the process by which a student beneficiary applies for and obtains this grant.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2771.20 Applicant Eligibility

a) A bondholder ~~bond-holder~~ shall:

- 1) be able to furnish documentation which demonstrates that s/he has continuously owned the Illinois college savings bond(s) for at least the 12 months preceding the date of maturity or for an

ILLINOIS STUDENT ASSISTANCE COMMISSION

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Illinois college savings bond(s) with an original maturity date of less than 12 months that s/he has owned the bond(s) for at least the six months preceding the date of maturity, unless the bond(s) were acquired by gift or under the laws of descent and distribution; and

2) use at least 70 percent of the bond proceeds for costs incident to enrollment which are reasonably incurred by the student beneficiary during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel, and other personal expenses related to attendance at the eligible institution of higher learning.

b) A student beneficiary shall be:

- 1) be designated by a bondholder bond-holder as the recipient of a grant pursuant to this Part;
- 2) be the beneficiary of at least 70 percent of the bond proceeds paid at maturity;
- 3) not-be-designated-as the beneficiary of not more than \$25,000 worth of bond proceeds in any single academic year; and
- 4) be enrolled on at least a half-time basis at an eligible non-profit institution of higher learning which is not organized solely for the purpose of religious instruction.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2771.30 Program Procedures

a) Application Procedures

- 1) Applications for a BIG Bonus-Incentive-Grant (BIG) shall be available from the Illinois Student Assistance Commission (ISAC) and eligible non-profit institutions of higher learning.
 - 2) A complete application for BIG assistance shall include certifications from: the bondholder bond-holder(s), the student beneficiary and the Registrar of the institution of higher learning at which the student beneficiary is enrolled.
 - 3) A bondholder bond-holder or a student beneficiary may submit a BIG application at any time between August 1 and May 30 for a grant spanning that same academic year. All grants under this program are subject to sufficient annual appropriations for this program by the General Assembly.
 - 4) ISAC may require applicants to provide documentation verifying that the bondholder bond-holder owned the bonds for the requisite length of time.
 - 5) One student beneficiary may be designated for each bond redeemed. In cases where two individuals jointly own a college savings bond, only one student beneficiary may be designated.
- b) Application Certifications
- 1) The bondholder bond-holder(s) shall certify that: the--following

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for--the--academic--year--in--which--the--application--is--being submitted:

- A) that the aggregate compound accreted value at maturity of the college savings bond(s) was not more than \$25,000;
 - B) that at least 70 percent of the proceeds of the college savings bond(s) have been or will be used for educational expenses costs--incident--to--enrollment incurred by the student beneficiary during an academic year;
 - C) the student named on the application has been designated as the beneficiary of the bond proceeds; the--name--of--the student-beneficiary;
 - D) that no other student has been designated as the student beneficiary for the same college savings bond; and
 - E) the information provided on the application with regard to the bonds is true and correct, including the date on which the bond(s) were issued, the date on which the bond(s) were acquired and the date on which the bond(s) matured; and
 - F) the preceding certifications are being provided for the academic year in which the application is being submitted.
- 2) The student beneficiary beneficiaries shall certify that the following:

- A) his or her that--their address, Social Security Number social security--number and other identifying information is accurate;
 - B) at least 70% of the proceeds of the College Savings Bonds will be used for educational expenses; that--the bond-holder has--provided--financial--assistance--in--the--amount--indicated on--the--application;
 - C) s/he is that--they--are enrolled at an eligible non-profit institution of higher learning and--in--an--academic--program that--is--eligible--for--BIG--assistance;
 - D) s/he that--they will use the their BIG proceeds to finance educational expenses costs--incident--to--their--enrollment which are reasonably incurred during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel and other personal expenses related to attendance at the institution of higher learning; and
 - E) s/he that--they will not use the their BIG proceeds to finance finance costs incurred in an academic program of divinity for any religious denomination or in a course of study to become a minister, priest, rabbi or other professional person in the field of religion.
- c) The dollar value of the BIG shall be determined according to the Table of Grant Amounts (see Appendix A of this Part); provided, however, that:
- 1) the compound accreted value of the bonds shall not exceed \$25,000 in any given academic year;

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Example: A BIG could not be claimed for more than 5 bonds of \$5,000 compound accreted value each in any given year. Even if 12 bonds of \$5,000 compound accreted value each, or \$60,000 total, had been purchased on behalf of a beneficiary, a BIG could be paid only for the first \$25,000.

- 2) 70 percent of the compound accreted value of the bonds for which a BIG is being claimed in a given academic year does not exceed the beneficiary's cost of attendance at the institution of higher learning for that year.

Example: The beneficiary's cost of attending University A is \$14,000. Since \$14,000 is 70 percent of \$20,000, a BIG could not be claimed for bonds with a compound accreted value in excess of \$20,000. Even if 5 bonds of \$5,000 compound accreted value each, or \$25,000 total, had been purchased on behalf of the beneficiary, in this case a BIG could be paid only on the first \$20,000.

- d) Both the proceeds of the bond(s) and the BIG assistance must be used by the student beneficiary in the academic year in which the bond was redeemed or in the academic year immediately following redemption.
- e) Applicants may request that their eligibility for ISAC gift assistance be recalculated to exclude up to \$25,000 in accumulated bonds and interest, pursuant to ISAC Appeal Procedures (see 23 Ill. Adm. Code 2700.70). Recalculations will only be performed for those students who complete the required federal needs analysis process.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 2771.APPENDIX A - Table of Grant Amounts

GRANT AMOUNT PER \$5000 COMPOUND
ACCRETED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	1/88 Bond Sale	10/88 Bond Sale	11/89 Bond Sale	11/90 Bond Sale	9/91 Bond Sale
1991	-	-	\$ 40	-	-
1992	-	-	\$ 60	\$ 40	-
1993	\$100	\$100	\$ 80	\$ 60	\$ 40
1994	\$120	\$120	\$100	\$ 80	\$ 60
1995	\$140	\$140	\$120	\$100	\$ 80
1996	\$160	\$160	\$140	\$120	\$100
1997	\$180	\$180	\$160	\$140	\$120
1998	\$200	\$200	\$180	\$160	\$140
1999	\$220	\$220	\$200	\$180	\$160
2000	\$240	\$240	\$220	\$200	\$180
2001	\$260	\$260	\$240	\$220	\$200
2002	\$280	\$280	\$260	\$240	\$220
2003	\$300	\$300	\$280	\$260	\$240
2004	\$320	\$320	\$300	\$280	\$260
2005	\$340	\$340	\$320	\$300	\$280
2006	\$360	\$360	\$340	\$320	\$300
2007	\$380	\$380	\$360	\$340	\$320
2008	\$400	\$400	\$380	\$360	\$340
2009	-	-	\$400	\$380	\$360
2010	-	-	\$420	\$400	\$380
2011	-	-	-	\$420	\$400
2012	-	-	-	-	\$420

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GRANT AMOUNT PER \$5000 COMPOUND
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	10/92 Bond Sale	10/93 Bond Sale	10/94 Bond Sale	10/97 Bond Sale
1994	\$40	-	-	-
1995	\$60	\$40	\$15	-
1996	\$80	\$60	\$40	-
1997	\$100	\$80	\$60	-
1998	\$120	\$100	\$80	-
1999	\$140	\$120	\$100	-
2000	\$160	\$140	\$120	-
2001	\$180	\$160	\$140	\$80
2002	\$200	\$180	\$160	\$100
2003	\$220	\$200	\$180	\$120
2004	\$240	\$220	\$200	\$140
2005	\$260	\$240	\$220	\$160
2006	\$280	\$260	\$240	\$180
2007	\$300	\$280	\$260	\$200
2008	\$320	\$300	\$280	\$220
2009	\$340	\$320	\$300	\$240
2010	\$360	\$340	\$320	\$260
2011	\$380	\$360	\$340	\$280
2012	\$400	\$380	\$360	\$300
2013	\$420	\$400	\$380	\$320
2014	-	\$420	\$400	\$340
2015	-	\$440	\$420	\$360
2016	-	-	\$440	\$380
2017	-	-	-	\$400
2018	-	-	-	\$420
2019	-	-	-	\$440

* If no grant amount is shown, there were no bonds sold at that maturity for that particular issue.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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1) Heading of the Part: David A. DeBolt Teacher Shortage Scholarship (DTSS) Program

2) Code Citation: 23 Ill. Adm. Code 2764

3) Section Numbers: Proposed Action:
2764.10 Amendment
2764.20 Amendment
2764.30 Amendment
2764.40 Amendment

4) Statutory Authority: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

A minor change has been made to Section 2764.30(a) to clarify that the completed federal student financial aid application form actually must be filed with the Department of Education processor in order for the applicant to be considered for an award under this Part. Section 2764.30(k) has been revised in response to a formatting suggestion made by JCAR staff. Section 2764.30(k)(6) has been added to codify the educational purpose statement contained in the Teaching Agreement/Promissory Note. And finally, "armed services" has been replaced with the more accurate term "armed forces" throughout this Part, in order to make it more consistent with the terminology used throughout ISAC's rules.

6) Will these proposed amendments replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

NOT RECORDED

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NOTICE OF PROPOSED AMENDMENT(S)

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2764

DAVID A. DEBOLT TEACHER SHORTAGE SCHOLARSHIP (DTSS) PROGRAM

Section
2764.10 Summary and Purpose
2764.20 Applicant Eligibility
2764.30 Program Procedures
2764.40 Institutional Procedures

AUTHORITY: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].

SOURCE: Emergency rules adopted at 19 Ill. Reg. 976, effective February 1, 1995, for a maximum of 150 days; emergency expired on June 30, 1995; adopted at 19 Ill. Reg. 11367, effective August 1, 1995; amended at 20 Ill. Reg. 9141, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11029, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2764.10 Summary and Purpose

- a) The David A. DeBolt Teacher Shortage Scholarship (DTSS) encourages academically talented students to pursue careers as public preschool, elementary and secondary school teachers in disciplines that have been designated as teacher shortage disciplines in the State of Illinois with a priority given to minority students.
- b) This Part establishes the rules which govern the DTSS David A. DeBolt Teacher--Shortage--Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2764.20 Applicant Eligibility

- a) A qualified applicant shall be:
 - 1) a United States citizen or eligible noncitizen;
 - 2) a resident of Illinois;
 - 3) a high school graduate or a person who has received a General Educational Development (GED) Certificate ~~(GEB)~~;
 - 4) enrolled, or accepted for enrollment, on at least a half-time basis at the sophomore level or above at an institution of higher

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- learning; and
- 5) pursuing a postsecondary course of study leading to initial certification in a teacher shortage discipline or taking pursuing additional courses ~~coursework~~ needed to gain Illinois State Board of Education (ISBE) approval to teach in an approved specialized teacher shortage program.
 - b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship Program (23 Ill. Adm. Code 2763), or the Special Education Tuition Waiver Program (23 Ill. Adm. Code 2765), the qualified applicant shall not be eligible for scholarship assistance under this Part.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2764.30 Program Procedures

- a) All applicants must complete and file the form which the U.S. Department of Education (ED) designates as an application for federal student financial aid for the purpose of determining the Expected Family Contribution (EFC) which is used as a selection criteria for this award. (See Section 483 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070a).)
- b) A completed ISAC application for the David A. DeBolt Teacher Shortage Scholarship Program must be received in ISAC's Deerfield office on or before the May 1 immediately preceding the academic year for which the scholarship is being requested, in order to receive priority consideration for an award.
 - 1) ISAC applications are available from qualified institutions of higher learning, State legislative and Congressional offices, and ISAC's Springfield, Deerfield, and Chicago offices.
 - 2) ISAC will mail renewal ISAC applications to all qualified students who received DeBolt Teacher Shortage Scholarships during the preceding academic year.
 - 3) If the student section of an ISAC application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.
- c) ISAC shall select the recipients from among qualified applicants who filed timely applications based on a combination of the following criteria:
 - 1) cumulative grade point averages, prioritized from the highest to the lowest. All grade point averages will be converted to a four-point scale:

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- 2) Expected Family Contribution (EFC), from the lowest to the highest;
- 3) minority students shall receive priority consideration; and
- 4) renewal applicants shall receive priority consideration provided the student:
 - A) continues to maintain a cumulative grade point average of no less than 2.5 on a 4.0 scale;
 - B) maintains his or her status as a qualified applicant, as outlined in Section 2764.20(a) of this Part, Applicant Eligibility;
 - C) maintains satisfactory academic progress as determined by the institution; and
 - D) has submitted an application on a timely basis.
- d) If all other criteria are equal, priority consideration will be given to the qualified applicant who submitted his or her completed application to ISAC on the earliest date.
- e) A recipient may receive up to 8 semesters/12 quarters of scholarship assistance under this program.
- f) Scholarship funds are applicable toward two semesters/three quarters of half-time and full-time study within an academic year.
- g) The total number of scholarships awarded in a given fiscal year is contingent upon available funding.
- h) To the extent necessary to administer this program within the limits of the State appropriation, the Commission may adjust the priority consideration factors established by this Section.
- i) ISAC shall publish ~~annually~~ ~~establish-and-publish~~ guidelines for the awarding of DeBolt Teacher Shortage Scholarships.
- j) Notice of eligibility shall be sent by ISAC to each qualified applicant who is selected to receive a ~~DTSS DeBolt-Teacher-Shortage Scholarship~~. A notice will be sent by ISAC to each qualified applicant who is not selected to receive a ~~DTSS DeBolt-Teacher Shortage-Scholarship~~.
- k) Prior to receiving scholarship assistance for any academic year, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
 - 1) ~~a--pledge--on--the--part--of~~ the recipient ~~pledges~~ to teach, on a full-time basis, in the teacher shortage discipline for which the recipient applied one year for each year of scholarship aid received or for any portion of a year for which aid was received, under this Part;
 - 2) ~~the a--stipulation--that--such~~ teaching requirement will be fulfilled within the five-year period following completion of the postsecondary education degree or certificate program for which the scholarship was awarded;
 - 3) ~~the a--stipulation--that--such~~ teaching requirement will be fulfilled at an Illinois public preschool, elementary or secondary school;

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- 4) ~~a-stipulation-that~~ if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to new student loans made under ~~FFELP the Federal Family Education--loan~~ program and, if applicable, reasonable collection fees; and
- 5) ~~a--further--stipulation--that~~ the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.) ~~and~~ the recipient promises to use the proceeds of the scholarship for educational expenses.
- 6) The five-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
 - 1) serves, for not more than three years, as a member of the United States armed forces services; or
 - 2) is enrolled full-time in a graduate course of study related to the field of teaching at an institution of higher learning; or
 - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician; or
 - 4) is actively seeking but unable to find employment as a teacher at an Illinois public preschool, elementary or secondary school, for a single period not to exceed two years and is able to provide evidence of that fact; or
 - 5) is taking pursuing additional courses coursework, on at least a half-time basis, needed to gain ISBE approval to teach in a specialized teacher shortage discipline.
- m) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
 - 1) serves, for not more than three years, as a member of the United States armed forces services; or
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician; or
 - 3) is pursuing a graduate course of study and is enrolled on a full-time basis for one continuous a-single period of time not to exceed three years; or
 - 4) is seeking and unable to find full-time employment for one continuous a-single period not to exceed two years and is able to provide evidence of that fact; or
 - 5) withdraws from a course of study leading to certification/approval in a teacher shortage discipline, but is enrolled at least half-time as an undergraduate for one continuous a-single period of time not to exceed three years.
- n) During the time a recipient qualifies for any of the extensions listed in subsection (m) of this Section, s/he shall not be required to make

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- o) payments and interest shall not accrue.
 - A recipient shall enter repayment status on the earliest of the following dates:
 - 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher in a designated teacher shortage discipline, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
 - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within five years after completing the postsecondary education for which the scholarship was awarded.
 - p) A recipient shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.
 - q) Renewal recipients may receive a subsequent award even if their discipline is no longer on the approved list of teacher shortage disciplines.
- (Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2764.40 Institutional Procedures

- a) The institution shall submit eligibility information for qualified applicants in sufficient time for ISAC to make award announcements.
- b) The institution shall submit a certification of eligibility for qualified applicants with its request for payment.
- c) ISAC shall disburse scholarship funds in two or three installments, depending on the number of terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final term of the academic year for which the scholarship is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
- d) Funds shall be remitted by ISAC to institutions on behalf of the recipient(s).
- e) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the scholarship funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.
- f) Upon receipt of the scholarship funds, if the recipient has withdrawn

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- 1) Heading of the Part: Federal Family Education Loan Program (FFELP)
- 2) Code Citation: 23 Ill. Adm. Code 2720
- 3) Section Numbers: Proposed Action:
- | | |
|----------|-----------|
| 2720.20 | Amendment |
| 2720.25 | Amendment |
| 2720.30 | Amendment |
| 2720.35 | Amendment |
| 2720.40 | Amendment |
| 2720.41 | Amendment |
| 2720.42 | Amendment |
| 2720.50 | Amendment |
| 2720.60 | Amendment |
| 2720.70 | Amendment |
| 2720.80 | Amendment |
| 2720.130 | Amendment |
| 2720.220 | Amendment |

4) Statutory Authority: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

In Section 2720.25(b)(3), the requirements for educational institution lender eligibility have been expanded to reference adherence to federal regulations, State rules, and published policies and procedures, as set forth in the Educational Lender Agreement. Section 2720.40(e) has been modified to clarify that the application/promissory note must be signed in ink by the borrower. Section 2720.50(e)(1) and (2) has been amended to reflect changes in federal regulations governing the late disbursement of loan proceeds. In order to reduce administrative burden, the provisions of Section 2720.50(1) have been modified to reflect that lenders and holders need not obtain advance approval of ISAC to use non-ISAC forms, provided that they meet the requirements of federal regulations and are compatible with ISAC's data processing requirements. Section 2720.60(c)

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from enrollment for the term(s) for which the award was intended, the institution shall return the total amount of the scholarship to ISAC.

- g) Scholarship Amount
- 1) DeBolt Teacher Shortage Scholarships are applicable only toward tuition, and fees fee and room and board charges or commuter allowances, if applicable.
- 2) The annual scholarship amount shall be computed by the institution and be the lesser of:
- A) tuition and fees plus room and board expenses charged by the institution;
- B) tuition and fees plus the institution's standard cost of living allowance for students living off-campus; or
- C) \$5000 \$57000.
- 3) The total amount of DeBolt Teacher Shortage Scholarship assistance awarded to a qualified applicant in a given academic year, when added to the other financial aid available to the qualified applicant for that year, cannot exceed the cost of attendance.
- 4) A qualified applicant may receive grant assistance under the Monetary Award Program only up to the amount by which the qualified applicant's cost of attendance exceeds the amount of the DeBolt Teacher Shortage Scholarship.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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has been updated since requests for preclaim assistance also may be canceled electronically. Section 2720.70(m) has been added to set forth the time frame within which a lender or holder must submit a request for an increase in the payment of a claim. And finally, throughout Section 2720.80 references to "insurance premium" have been replaced with the more accurate term "guarantee fee." This term is more consistent with industry terminology as well as disclosure information provided to borrowers.

- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998

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NOTICE OF PROPOSED AMENDMENTS

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2720

FEDERAL FAMILY EDUCATION LOAN PROGRAM
(FFELP)

SUBPART A: FEDERAL LOAN PROGRAMS:

THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section	Summary and Purpose
2720.5	Definitions (Repealed)
2720.6	Eligibility for ISAC Loan Guarantees
2720.10	Lender Eligibility
2720.20	Educational Institution Lender Eligibility
2720.25	Institutional Eligibility
2720.30	Holder Eligibility
2720.35	Procedures for Obtaining a Guaranteed Loan
2720.40	One-Lender Requirement
2720.41	One-Holder Requirement
2720.42	Procedures for Disbursement and Repayment
2720.50	Federal Consolidation Loan Program
2720.55	Reclaim Assistance
2720.60	Reimbursement Procedures
2720.70	Student Guarantee Fee Insurance-Premium
2720.80	Guarantee Transfers
2720.90	

SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

Section	Summary and Purpose
2720.105	IDAPP Eligible Loans
2720.120	IDAPP Eligible Lenders
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SUBPART C: ISAC ORIGINATED LOANS

Section	ISAC Originated Consolidation Loans
2720.200	Illinois Opportunity Loan Program (IOP)
2720.210	Federal Family Education Loan Program (FFELP) Loans (FFELP)
2720.220	Required Activities of Educational Lenders (Repealed)

APPENDIX A

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

AUTHORITY: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act (110 ILCS 947/80 through 175); Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act (110 ILCS 947/20(f)).

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 5 Ill. Reg. 8698, effective August 17, 1981; emergency rule and emergency repealer at 6 Ill. Reg. 7558, 7573, effective June 9, 1982, for a maximum of 150 days; new rules adopted at 6 Ill. Reg. 13799, effective October 25, 1982; old rules repealed at 6 Ill. Reg. 15254, effective December 3, 1982; emergency amendment at 7 Ill. Reg. 9942, effective August 8, 1983, for a maximum of 150 days; codified at 7 Ill. Reg. 13309; amended at 8 Ill. Reg. 876, effective January 9, 1984; amended at 8 Ill. Reg. 7286, effective May 18, 1984; amended at 8 Ill. Reg. 17006, effective September 5, 1984; amended at 9 Ill. Reg. 20796, effective January 1, 1986; amended at 11 Ill. Reg. 3181, effective January 29, 1987; emergency amendment at 11 Ill. Reg. 13669, effective August 5, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 14103, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 18370, effective October 23, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20989, effective January 1, 1988; amended at 12 Ill. Reg. 6971, effective April 1, 1988; amended at 12 Ill. Reg. 11520, effective July 1, 1988; emergency amendment at 12 Ill. Reg. 15221, effective September 15, 1988, for a maximum of 150 days; emergency expired February 12, 1989; amended at 13 Ill. Reg. 2872, effective February 16, 1989; amended at 13 Ill. Reg. 8630, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1720 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2720 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17855; emergency amendment at 14 Ill. Reg. 4266, effective March 1, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10553, effective July 1, 1990; amended at 14 Ill. Reg. 10941, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 18769, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 4060, effective February 28, 1992; amended at 16 Ill. Reg. 11224, effective July 1, 1992; emergency amendment at 17 Ill. Reg. 2055, effective February 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 10506, effective July 1, 1993; amended at 18 Ill. Reg. 10254, effective July 1, 1994; emergency amendment at 18 Ill. Reg. 15636, effective October 15, 1994, for a maximum of 150 days; emergency expired March 13, 1995; amended at 19 Ill. Reg. 6215, effective April 15, 1995; amended at 19 Ill. Reg. 8320, effective July 1, 1995; amended at 20 Ill. Reg. 9147, effective July 1, 1996; amended at 21 Ill. Reg. 11038, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

SUBPART A: FEDERAL LOAN PROGRAMS:

THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

AT CHICAGO

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Section 2720.20 Lender Eligibility

- a) Lender Agreement
 - 1) All approved lenders must execute an ISAC Lender Agreement prior to participating in the federal Family Education Loan Program through ISAC. Lenders wishing to serve as lenders-of-last-resort are required to sign an additional Agreement which includes the provisions of Section 428(j) of the Higher Education Act, as amended.
 - 2) Lenders must have received ED approval prior to executing a Lender Agreement.
 - 3) The Lender Agreement shall include provisions requiring lenders to:
 - A) comply **comply** with statutes, federal regulations, State rules, published policies and procedures; and
 - B) provide **provide** such information as ISAC may request relating to borrower demographics, collection records and other documents ISAC may need to comply with federal regulations. (See Sections 2720.60(a) and 2720.70(c).)
 - 4) Lenders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the lender with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC and the lender shall agree that the information and data shall be confidential and shall not be used, disclosed, sold or shared for any purpose other than that which is directly related to the administration of ISAC's guaranteed loan programs.
 - 5) Termination of the Lender Agreement may be made by either the lender or ISAC with 30 days' written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.
- b) Eligible lenders shall employ an adequate number of qualified persons to administer their responsibilities under ISAC's rules. In determining whether a lender employs an adequate number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.
- c) In addition to the provision of subsection (a), the Lender Agreement for insurance companies approved as lenders shall require:
 - 1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and
 - 2) compliance with Sections 421 through 434 of the Illinois Insurance Code [215 ILCS 5/421 through 434], which prohibit unfair methods of competition and unfair and deceptive acts and practices.
- d) A loan guarantee shall be cancelled if the lender fails to comply with federal regulations, statutes, ISAC rules or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing

the lender for the defaulted loan.

- e) ISAC conducts compliance reviews to determine if approved lenders are complying with federal regulations, statutes and rules.
- f) Lenders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to the following information: (1) a description of the lender's servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and the Department of Education; documentation relating to the percentage of student loans as compared to other installment loan portfolios; default rates; policy and procedures manuals; promotional materials; a statement relating to previous and anticipated loan volume; and other similar information relating to student loans requested by ISAC to show the lender's qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.25 Educational Institution Lender Eligibility

- a) Educational lenders must meet the eligibility requirements of institutions as outlined in Section 2720.30, Institutional Eligibility, and must meet the eligibility requirements established for lenders as outlined in Section 2720.20, Lender Eligibility. Also, educational lenders must comply with all federal regulations related to the origination, disbursement and servicing of a loan. (See, e.g., 34 CFR 682.601.)
- b) Illinois educational institutions may be approved as lenders by the Commission if approved by ED and if the following requirements are met.
- 1) The specific materials to be provided by an institution in seeking approval as an eligible lender are:
 - A) An audited, certified and preferably unqualified annual financial statement prepared by a firm of certified public accountants (CPA). The statement must cover a period of no less than 12 months and be no more than 12 months old at the time of submission. The CPA firm must express an acceptable opinion on the statement, and the statement shall consist of no less than a balance sheet, a statement of profit and loss, and all attendant notes thereto;
 - B) An institutional catalog, and a statement of the institution's educational costs and refund policies;
 - C) A statement of the institution's default/delinquency experience as a lender in the Federal Perkins Loan Program, FFEUP, and/or Federal Insured Student Loan (FISL) Program ~~program~~ (20 U.S.C.A. 1071 et seq.) and a release to permit ISAC to solicit further data from ED or the institution's ED

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- service agency, if any, with respect to such records;
- D) A statement which demonstrates the institution's administrative ability to comply with all servicing requirements of the program;
- E) Bank and other credit references and a release to permit ISAC to inquire of these references;
- F) A statement explaining the source of the institution's lending capital;
- G) A statement providing the amount of lending authority sought for the applicable fiscal year and an estimate of the lending volume expected in each of the two succeeding fiscal years; and
- H) Any other materials which might be requested by ISAC to show the institution's potential qualifications as a lender.
- 2) In addition to the above materials, a school which is organized on a for-profit basis will be requested to submit a:
- A) copy of its student contract;
- B) description of its admission/sales staff and their functions;
- C) statement of the institution's drop-out/completion rates;
- D) sample of the institution's advertising materials; and
- E) description or copies of student complaints filed with the institution in the last two years. In addition to these materials, ISAC will secure a Dun and Bradstreet Report on the institution, a statement from the Better Business Bureau with regard to any consumer complaints, and a statement from the institution's accrediting association.
- 3) The applications for eligible educational lender status in the programs and the supporting documentation shall be reviewed by ISAC. ISAC staff shall inform the applicant institution of its proposed recommendations to the Commission prior to the meeting at which action on the application will be taken. The applicant institution shall also be informed of the recommendation for its annual lending limit, as well as any additions to the lender agreement which ISAC feels are prudent in individual instances to protect the default record of ISAC. The institution shall also be informed that if it is not in agreement with any ISAC staff recommendations, it is entitled to representation at the Commission meeting and will be allowed to state its objections. If the institution is approved by the Commission as an educational lender, it ~~ISAC~~ will execute an Educational Lender Agreement which will include:
- A) the institution's agreement to comply with statutes, federal regulations, State rules, published policies and procedures ~~abide-by-the-rules-of-ISAC;~~
- B) a statement of agreement including, or referring to, the list of required activities of educational lenders as outlined in 34 CFR 682.601;

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- C) a statement of agreement including, or referring to, the federal regulations with respect to loan disbursements and refund application;
- D) a statement of agreement including, or referring to, the federal regulations definition of "due diligence"; and
- E) an expiration date of such lending contract which shall not be later than the end of the first full fiscal year following the negotiation of the contract, at which time its renewal shall be considered by ISAC.
- c) A loan guarantee shall be canceled if the educational lender fails to comply with federal regulations, statutes, ISAC rules or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the educational lender for the defaulted loan.
- d) ISAC conducts compliance reviews to determine if approved educational lenders are complying with federal regulations, statutes and rules.
- e) Educational lenders that do not maintain the standards of administrative capability or financial responsibility demonstrated in their original applications for participation, or required by federal regulations, may be subject to administrative limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.30 Institutional Eligibility

- a) Institutional eligibility requirements are specified in federal regulations. Eligible postsecondary institutions include universities, colleges, graduate schools, schools of nursing, business, trade, technical and vocational schools. Correspondence institutions/programs are not eligible.
- b) Institutions must have executed a Program Participation Agreement with ED in order to participate in ISAC-guaranteed loan programs. (See 34 CFR 668.14.)
- c) When an approved institution has a change of ownership resulting in a change of control, a change of location or a change of name as defined by federal regulations, the institution's Program Participation Agreement with ED may be terminated. After an institution has undergone a change of status affecting its participation in any Title IV federal student financial aid programs, the institution may have its eligibility reinstated by the execution of a new Program Participation Agreement with ED (see, e.g., 34 CFR 600.30 et seq.) and by the submission and approval of a new application for participation with ISAC.
- d) An institution may not engage in loan origination activities. This prohibition shall not apply if the institution has an ED-approved Origination Agreement on file with ISAC and the institution has been approved as an educational lender. (See Section 2720.25 of this Part

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- and 34 CFR 682.601.)
- e) Approved institutions shall provide ISAC with the current enrollment status of students whom the institution has certified as eligible borrowers in accordance with federal regulations. (See 34 CFR 682.610(c).)
- f) Applicant and approved institutions must demonstrate administrative capability and financial responsibility, as defined by federal regulations, in order to begin and to continue participation in ISAC-guaranteed loan programs. (See, e.g., 34 CFR 668.14 and 668.15.)
- g) Institutions wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: documentation from the U.S. Department of Education (ED) and the state in which it operates demonstrating authorization to offer educational programs; previous audit and compliance reviews conducted by other guarantors and ED; proof of accreditation; audited financial statements; student catalogs; promotional materials; policy and procedure manuals; documentation relating to default and student withdrawal rates; and other similar information requested by ISAC to show the institution's qualifications for participation. Participation will be decided by an examination of application materials and a determination of compliance with federal laws and regulations regulation and State statutes and rules. Institutions may appeal an administrative decision denying participation or limiting eligibility in accordance with ISAC appeal procedures. (See 23 Ill. Adm. Code 2700.70.) Institutions denied participation shall be eligible to reapply one year from the date of the initial ISAC letter denying eligibility.
- h) Institutions not maintaining the standards of administrative capability or financial responsibility demonstrated in their original applications for participation, or required by federal regulations, may be subject to administrative limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)
- i) A foreign postsecondary educational institution, located outside of the United States, is eligible to participate in ISAC-guaranteed loan programs provided it produces evidence to ISAC of current eligibility with ED (e.g., Program Participation Agreement, Institutional Eligibility Notice, etc.) or documentation of such eligibility is available directly from ED.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.35 Holder Eligibility

- a) All approved holders must execute an ISAC Holder Agreement prior to participating in the subsidized and unsubsidized Federal Stafford, Federal PLUS, Federal SLS or Federal Consolidation Loan Programs.
- b) Holders must have received ED approval prior to executing a Holder

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- Agreement.
- c) The Holder Agreement shall include provisions requiring holders to:
- 1) comply with statutes, federal regulations, rules, published policies and procedures; and
 - 2) provide such information as ISAC may request relating to borrower demographics, collection records and other documents ISAC may need to comply with federal regulations. (See Sections 2720.60(a) and 2720.70(c).)
- d) Holders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the holder with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC and the holder shall agree that the information and data shall be confidential and shall not be used, disclosed, sold or shared for any purpose other than that which is directly related to the administration of ISAC's guaranteed loan programs.
- e) Termination of the Holder Agreement may be made by either the holder or ISAC with 30 days' advance written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.
- f) Eligible holders shall employ an adequate number of qualified persons to administer the holders' responsibilities under ISAC's rules and federal regulations. In determining whether a holder employs an adequate number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.
- g) In addition to the provisions of subsection (c), the Holder Agreement for insurance companies approved as holders shall require:
- 1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and
 - 2) compliance with Article XXVI of the Illinois Insurance Code [215 ILCS 5/Art. XXVI].
- h) A loan guarantee shall be canceled if the holder fails to comply with federal regulations, statutes, ISAC rules, published policies or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the holder for the defaulted loan.
- i) ISAC conducts compliance reviews to determine if approved holders are complying with federal regulations, statutes and rules.
- j) Holders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and ED the Department--of Education; documentation relating to the percentage of student loans as compared to other installment loan portfolios; default rates; policy and procedures manuals; promotional materials; a statement relating to previous and anticipated loan volume; and other similar information relating to student loans requested by ISAC to show the

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holders' ~~holders'~~ qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.40 Procedures for Obtaining a Guaranteed Loan

a) Borrowers who are eligible for a loan guarantee in accordance with Section 2720.10 are issued a notice of guarantee/disclosure statement. All promissory notes must be in a form approved by ED. No alteration or substitution may be used.

b) All loans are made at the lender's discretion. When a lender rejects a borrower's application/promissory note, the lender shall issue a notice of non-acceptance to the borrower.

c) Lender-of-last-resort requirements

1) An applicant who is eligible for a Federal subsidized or unsubsidized Stafford Loan ~~loan~~ guarantee pursuant to Section 2720.10 of this Part and who has received two denials from can request that ISAC make a referral to a lender-of-last-resort provided the applicant:

A) submits a written request for a lender-of-last-resort loan referral to ISAC, which is accompanied by two denials from ISAC-approved lenders;

B) receives loan counseling information specifically designed to benefit an applicant seeking a lender-of-last-resort loan; and

C) attends an ISAC-approved institution.

2) ISAC, within 60 days, will refer applicants to lenders-of-last-resort or will advise them that they do not meet the eligibility requirements of Section 2720.10 of this Part.

3) ISAC will act as a lender-of-last-resort or will refer the applicant to the Student Loan Marketing Association if it cannot refer the applicant to a lender-of-last-resort willing to make a subsidized or unsubsidized Stafford Loan ~~loan~~ within 60 days.

d) The availability of an ISAC-guaranteed loan shall not be conditioned upon the purchase of credit life, life, accident, health or other forms of insurance.

e) The application/promissory note must be signed in ink. Signature stamps shall not be used by the borrower.

f) At the lender's discretion and in accordance with federal regulations, endorser's may be used for Federal PLUS Loans.

g) Lenders shall obtain the names and addresses of at least two references from each loan applicant. Lenders shall submit the reference data to ISAC when requesting ISAC reimbursement pursuant to Section 2720.70.

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h) When certifying a borrower eligible for a loan guarantee, the institution shall provide ISAC a loan disbursement schedule consistent with Section 428G of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-7). Should the institution fail to provide ISAC a disbursement schedule that is consistent with federal law, ISAC shall assign the loan a disbursement schedule that is consistent with Section 428G of the Higher Education Act of 1965, as amended.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.41 One-Lender Requirement

a) All of a borrower's outstanding ISAC-guaranteed loans must be made by the same lender, subject to the following conditions:

1) ISAC will issue a loan guarantee to a commercial lender provided that lender agrees to make all types of Federal Family Education Loan Program (FFELP) Loans ~~FFELP~~ to the borrower which the borrower requests and is eligible to receive, and:

A) the loan is the borrower's first ISAC-guaranteed loan;

B) the loan is a subsequent loan and the commercial lender has issued all of the borrower's previous ISAC-guaranteed loans; or

C) the loan is a subsequent loan and the commercial lender holds or has purchased all outstanding ISAC-guaranteed loans for that borrower from previous commercial lender(s), in accordance with Section 2720.42 of this Part.

2) ISAC will issue a loan guarantee to an educational lender provided that:

A) the lender agrees to make all types of FFELP Loans ~~FFELP~~ to the borrower which the borrower requests and is eligible to receive; ~~and~~

BA) the lender is an educational institution at which the borrower is currently enrolled; and

CB) the borrower has previously made a good faith effort to obtain a loan from a commercial lender pursuant to federal regulations. (See 34 CFR 682.601.)

b) The requirements of this Section shall not apply if:

1) the outstanding loans are held by a lender which has been declared insolvent by a regulatory agency, has terminated its agreement with ISAC, or has withdrawn from participation in FFELP ~~all-FFELP~~ programs;

2) ISAC is informed by the borrower, the institution or its agent that the borrower has provided authorization to have subsequent loans issued by a different lender;

3) the borrower is requesting a subsequent loan and the lender has made a previous ISAC-guaranteed loan to that borrower for that loan program with a guarantee date prior to July 1, 1993; or

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- 4) the borrower's outstanding loan(s) was made in accordance with Section 2720.40(c) of this Part, by a lender-of-last-resort.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.42 One-Holder Requirement

- a) All of a borrower's outstanding ISAC-guaranteed loans must be sold by a lender to the same holder.
- 1) If the lender has sold any of a borrower's previous ISAC-guaranteed subsidized or unsubsidized Federal Stafford Loan(s) or Federal SLS Loan(s) to an approved holder, the lender shall sell all subsequent loans to the same holder by no later than 90 days from the borrower's last date of attendance or 180 days following the last disbursement, whichever occurs later; or in the event of untimely notification to the lender of a student's change in enrollment status, no later than 45 days after the lender became aware that the student ceased to be enrolled on at least a half-time basis. (See Section 2720.130(d).)
 - 2) Subsidized Federal Stafford Loans, unsubsidized Federal Stafford Loans and Federal SLS Loans which were made under the same common Application/Promissory Note for loan periods within the same academic year must be sold simultaneously.
 - 3) If the lender has sold the applicant's previous ISAC-guaranteed Federal PLUS Loans to an approved holder, the lender shall sell each subsequent Federal PLUS Loan for that borrower to the same holder by no later than 90 days from the last date of attendance or 180 days following the last disbursement, whichever occurs later; or in the case of a late disbursement, the subsequent loan must be sold within 45 days following disbursement.
 - 4) Upon notification by the holder of the oldest previous loan, the holder of any subsequent loan must sell that loan to the previous holder, unless the borrower requests in writing that the previous holder sell to the subsequent holder.
- b) Failure to sell the subsequent loan by the deadline shall result in the loss of guarantee.
- 1) A guarantee may be reinstated if, within 90 days after identifying a loan in violation of subsection (a)(1), (a)(2), (a)(3) or (a)(4) above, the holder or lender initiates the sale of the loan to the eligible holder who purchased the applicant's previous loan(s).
 - 2) Initiation of the sale procedure within 90 days, and conclusion of the sale before the day the loan enters default status, will retroactively reinstate the guarantee to the day the guarantee was lost due to a violation of subsection (a)(1), (a)(2), (a)(3) or (a)(4) above, provided no other violation of federal

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- regulation or State rule exists.
- 3) Failure to initiate the sale of the loan within 90 days after identifying the violation will result in a permanent loss of guarantee for that loan. Failure to ultimately sell the loan to the holder will also result in a permanent loss of guarantee for that loan.

- c) The requirements of this Section shall not apply if:

- 1) the outstanding loans are held by a holder which has been either declared insolvent by a regulatory agency, has terminated its agreement with ISAC, or has withdrawn from participation in ~~FFELP, all-FFEB-programs-~~
- 2) ISAC is informed that the borrower has provided authorization to have subsequent loans held by a different holder.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.50 Procedures for Disbursement and Repayment

- a) Disbursement and repayment procedures are specified in federal regulations.
- b) Prior to disbursement, the borrower ~~borrower(s)~~ shall execute a completed Application/Promissory Note ~~Note(s)~~ for the principal and interest on the loan ~~loan(s)~~. The lender shall retain the original copy of the Application/Promissory Note.
- c) The lender shall transmit to ED any and all statements and reports necessary to obtain federal interest payments on the borrower's ~~borrower(s)~~ behalf. The lender shall not collect or attempt to collect from the borrower ~~borrower(s)~~ or ISAC any portion of the interest on the loan which is payable by ED.
- d) Except for loans pursuant to Section 2720.55, the lender shall not disburse the proceeds of any loan on the borrower's ~~borrower(s)~~ behalf unless and until the lender shall have received from ISAC evidence of a guarantee. The lender shall inform ISAC of all disbursement dates.
- e) Federal Stafford and Federal PLUS Loan proceeds shall be transmitted directly to the institution.
- 1) Federal Stafford Loan checks or electronically transmitted funds shall be payable to the student borrower unless the institution requires all loan checks to be co-payable to the borrower and the institution. Federal PLUS Loan checks shall be co-payable or sent via EFT to the institution and the parent borrower. Federal Stafford or Federal PLUS Loan funds disbursed ~~transferred~~ either via EFT ~~electronically~~ or by Master Check ~~shall-be-transmitted~~ to the institution shall include ~~along-with~~ information identifying the names, Social Security Numbers ~~name-of-each-student-on-whose behalf-loan-proceeds-are-being-transmitted~~, and the loan amounts of the borrowers who are receiving a portion of the disbursement.

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and the names and the Social Security Numbers of the students on whose behalf the parents are borrowing. ~~amount being transmitted on behalf of that student.~~

- 2) Loan proceeds must be disbursed to the institution and delivered to the borrower no later than 90 days after the end of the loan period or 90 days after the date on which the student ceased to be enrolled at least half-time, whichever is earlier. If the loan proceeds are not delivered pursuant to this subsection, the school must request that the loan be canceled and must return any loan proceeds. ~~if the proceeds have not been disbursed to the institution within 60 days after the conclusion of the term for which the loan was intended, or 90 days after the conclusion of the term, if exceptional circumstances are documented by the institution in accordance with 34 CFR 682.207(d)(2)(iii), the loan guarantee will be canceled.~~

- 3) If the student has withdrawn from enrollment and federal regulations require the institution to submit a refund to the lender, either electronically or in the form of a check payable to the lender on behalf of the borrower, the institution shall provide simultaneous written notice to the borrower of the refund.

A) If the institution fails to issue a timely refund, as defined by federal regulations (see 34 CFR 682.609), the institution shall pay penalty interest.

B) The penalty interest shall equal the total amount of interest and special allowance generated by the principal value of the refund amount. The penalty interest shall be computed from the date the refund was due until the date the refund was issued.

C) The penalty interest shall be paid to the lender or subsequent holder.

F) The borrower(s) shall have the right to prepay without penalty the whole or any part of a loan guaranteed hereunder.

G) The lender or holder shall notify the borrower of the repayment options available, as specified in 34 CFR 682.209. The lender or holder shall send a repayment schedule to a FFELP borrower no less than 30 days nor more than 240 days before the first payment on the loan is due from the borrower.

H) The lender or holder shall notify ISAC of payment in full or prepayment in full by the borrower.

I) In accordance with federal regulations, the lender or holder may extend the maturity date of any note.

J) Lenders or holders may exercise administrative forbearances, which do not require the agreement of the borrower, as authorized by Section 428(c)(3)(C) of the Higher Education Act of 1965, as amended, and by federal regulations.

K) Borrowers are entitled to deferments, which extend the maturity date of any note(s), under conditions established by federal regulations.

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- 1) ISAC provides lenders or holders with the forms necessary for servicing their guaranteed loan portfolio (e.g., deferment forms, forbearance forms). Lenders and holders ~~With advance ISAC approval, lenders may use non-ISAC forms. ISAC shall approve the use of alternative forms provided the alternative form meets the requirements of federal regulations IS-RB-approved and is compatible with ISAC's data processing requirements.~~

- M) No note shall be sold or transferred by the lender except to an ISAC-approved lender, an ISAC-approved holder, or ISAC.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.60 Preclaim Assistance

- a) ISAC functions in a supplementary role to assist the lender or holder in its collection of a loan that is at least 90 days delinquent. After requesting preclaim assistance, the lender or holder shall continue with normal collection activity. The following information is requested with the request for assistance, if available:

- 1) name and Social Security Number (SSN);
- 2) employer's name and telephone number;
- 3) home address and telephone number;
- 4) identification of the problem;
- 5) date and amount of each payment;
- 6) loan amounts; and
- 7) number of days delinquent.

- b) The request for preclaim assistance must be sent to ISAC no earlier than 80 days after the first day of delinquency and no later than 100 days after the first day of delinquency. For accounts paid less frequently than monthly (e.g., quarterly), the request for preclaim assistance must be filed no earlier than the 140th day of delinquency and no later than the 160th day of delinquency.

- c) For 10 or more accounts submitted in one month, the request for preclaim assistance and subsequent preclaim transactions must be submitted electronically, in a format approved by ISAC, from which collection action can begin or cease immediately.

- d) If a borrower's address is unknown, the lender shall attempt to locate the borrower pursuant to federal regulations. (See CFR 682.411.) The lender may file for preclaim or skip-tracing assistance when it has completed its skip-tracing efforts. If it has not already done so, the lender shall file for assistance within 10 days before or after either the 90th day of delinquency for loans due monthly, or the 150th day for loans that are due less frequently than monthly.

- e) When a lender files for preclaim assistance, that lender is automatically filing for supplemental preclaim assistance (the collection assistance provided by ISAC after the loan is 120 days delinquent).

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(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.70 Reimbursement Procedures

- a) The lender or holder shall request reimbursement from ISAC within 60 days from the date the lender or holder receives a completed request for loan cancellation or forgiveness due to death, total and permanent disability, attendance at a school that closes, or false certification by a school of a borrower's eligibility for a loan, in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.502.)
- b) Requests for default reimbursement must be submitted to ISAC no earlier than 180 days after the first day of delinquency and no later than 270 days after the first day of delinquency. The lender or holder shall be reimbursed, in accordance with federal regulations and the Higher Education Act of 1965, as amended. In the case of a default on a Federal PLUS Loan, the borrower, co-maker and endorser must meet the default criteria contained in federal regulations.
- c) The lender or holder must request ISAC reimbursement for a bankruptcy claim in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.402.) The request for reimbursement must be submitted within 30 days after the lender's or holder's receipt of notice that collection on the debt is stayed. A copy of the restraining order and the appropriate papers must be included. In the case of a bankruptcy involving a Federal PLUS Loan, the borrower, co-maker and endorser must meet the bankruptcy criteria contained in federal regulations.
- d) Prior to reimbursement, the lender or holder must certify compliance with federal due diligence requirements and subsection (h) of this Section.
- e) Prior to reimbursement, the lender or holder must have remitted the insurance premium established by Section 2720.80.
- f) The lender or holder shall forward to ISAC any payments made by or on behalf of the borrower after default reimbursement and shall advise ISAC of any subsequent information received concerning the borrower. Prior to reimbursement, all original notes or certified, true and exact copies of original notes must be properly endorsed and submitted to ISAC. If the notes have been lost or erroneously stamped "Paid in Full," ~~any or~~ the lender or holder shall execute a Hold Harmless Agreement with ISAC.
- g) No fee or charge to the borrower, other than the maximum interest rate prescribed by ED and the collection charges outlined in federal regulations (see 34 CFR 682.202(f) and (g)), including the student insurance premium, and the federal loan origination fee, shall be contracted for or received by the lender.
- h) The lender or holder shall make a proper collection effort in accordance with acceptable practices of prudent lending institutions

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- i) ISAC shall collect the outstanding amount on the reimbursed guaranteed loan. If the borrower refuses to retire the debt, ISAC shall follow the requirements of federal regulations. (See 34 CFR 682.410.)
- j) Should a borrower refuse to retire the debt, ISAC shall direct the State Comptroller to offset any payment from the State Treasurer to the borrower. The funds offset shall be remitted to ISAC and credited against the debt.
 - 1) All offsets shall be processed in accordance with 74 Ill. Adm. Code 285.
 - 2) ISAC shall not direct an offset if the borrower has maintained a satisfactory repayment record. (See 23 Ill. Adm. Code 2700.40(a)(1).)
 - 3) ISAC shall notify a borrower of the possibility of an offset no less than 15 fifteen days prior to the first offset. ISAC may ~~shall not~~ provide additional notice of subsequent offsets for the same debt. Should the borrower dispute the debt, an appeal must be filed within 15 days after and including the date of the notice. Appeals will be processed in accordance with 23 Ill. Adm. Code 2700.70. If the requested relief is granted, the funds offset shall be returned to the borrower.
 - 4) Funds eligible to be offset include, but are not limited to, State income tax refunds and the wages of State employees.
 - k) ISAC shall provide a borrower with an opportunity for an administrative review of the legal enforceability or past-due status of the loan obligation after it pays a default claim but before it reports the default to a credit bureau or assesses collection costs against the borrower, in accordance with federal regulations (34 CFR 682.410(b)(5)(ii)(c)).
 - l) ISAC may garnish the disposable pay of a borrower if the individual is not currently making required payments, in accordance with Section 488A of the Higher Education Act, as amended.
 - m) ISAC requires the lender or holder to submit a request for an increase in claim payment within 60 days of receiving the claim payment.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2720.80 Student Guarantee Fee Insurance-Premium

- a) ISAC charges each borrower a guarantee fee ~~an insurance-premium~~ on each guaranteed loan. The fee(s) ~~premium(s)~~ collected by the lender must be remitted to ISAC no less frequently than monthly.
- b) The amount of the guarantee fee ~~premium~~ collected on each loan shall be no greater than the maximum permitted by the Higher Education Act, as amended. The exact amount of the fee ~~insurance-premium~~ shall be

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computed by ISAC and disclosed to the borrower on the notice of guaranteee/disclosure statement. The rate of the fee ~~insurance-premium~~ shall be determined by resolution of the Commission. When establishing the rate of the fee ~~insurance-premium~~, the factors to be considered by the Commission include: the solvency of the Student Loan Revolving Fund, projected application volume and the timeliness of payments from ED pursuant to the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.).

- c) Refunds of guarantee fees ~~insurance-premiums~~ shall be made to the borrower in accordance with federal regulations. (See 34 CFR 682.401(b)(10)(vi).)
- d) The guarantee fees ~~insurance-premiums~~ shall be deposited in the Student Loan Revolving Fund. In accordance with federal regulations, such proceeds may only be used to reimburse lenders for defaulted guaranteed loans, to pay the administrative expenses of ISAC or to pay the reinsurance fee assessed by ED the Department of Education.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

Section 2720.130 IDAPP Eligible Lenders

- a) Prior to submitting accounts for purchase, the lender and ISAC must execute an IDAPP contract. The contract requires lenders to comply with statutes, federal regulations, rules and procedures.
- b) ISAC will purchase loans only from those lenders that who have no inappropriate relationships with the ~~educational~~ institutions certifying the loans loan. An inappropriate relationship includes, but is not limited to, fiscal or loan service arrangements between commercial lenders and institutions which are not permitted by law or federal regulation (34 CFR 682.205) and/or is of such a special nature that all ~~educational~~ institutions or all lenders under similar circumstances do would not receive similar terms, conditions or services from the lender.
- c) If it appears that the lender has violated one or more of ISAC's rules in the handling of any account, and if such violation contributed to the delinquent status of the account, ISAC will decline to purchase the account.

- d) The lender aware date of delinquency will be:

- 1) date lender received notice from the school, borrower or ISAC that the borrower has a revised last date of attendance;
- 2) date the lender received returned mail from a borrower's borrower(s) address;
- 3) date information is received from the borrower borrower(s), student, spouse or parent that repayment will not be forthcoming; or

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- 4) maturity date of the note, the date of the deferment or the date the payment was due but was not made.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART C: ISAC ORIGINATED LOANS

Section 2720.220 Federal Family Education Loan Program (FFELP) Loans ~~(FFELP)~~

- a) ISAC may serve as a direct lender of educational loans under FFELP the Federal-Family-Education-Loan-Program.
- b) Each borrower must be an eligible borrower as established by the Higher Education Act of 1965, as amended (see 20 U.S.C.A. 1078 et seq.), and must meet the eligibility requirements set forth in Section 2720.10 of this Part, Eligibility for ISAC Loan Guarantees.
- c) The amounts, terms and conditions of loans made under this Section shall be in accordance with the provisions of the Higher Education Act of 1965, as amended (see 20 U.S.C.A. 1078 et seq.).
- d) Educational loans may be made to borrowers referred by lenders which have executed a Community Educational Loan Partnership agreement with ISAC.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: General Provisions
- 2) Code Citation: 23 Ill. Adm. Code 2700
- 3) Section Numbers: Proposed Action:
 2700.20 Amendment
 2700.30 Amendment
 2700.40 Amendment
 2700.50 Amendment
 2700.55 Amendment
 2700.60 Amendment
 2700.80 New Section
- 4) Statutory Authority: Implementing Sections 1 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/1 through 175]; Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq., as amended by P.L. 102-325); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

In Section 2700.20, Definitions, a new definition, "contractual agreement," has been added, and the requirements for contractual agreements have been moved from Part 2735, Monetary Award Program, to a new Section 2700.80 in General Provisions, to reflect the broader applicability of these provisions to all gift assistance programs. The term "educational institution" is being deleted, since it is identical to the term "institution," which will now be used throughout the rules. A new definition, "ETF," is being added to indicate the acronym for electronic funds transfer, which is increasingly being used to disburse loan proceeds. New definitions are being added for both "fire officer" and "police officer" to provide a parallel level of specificity with the existing term "correctional officer" and to improve the clarity of programs benefiting dependents of these groups contained in Parts 2731 and 2732. The citation to Federal Regulations contained in the definition of "Full-time Student" has been corrected to 34 CFR 682.200. New definitions have been added to provide the acronyms for both the Illinois Board of Higher Education (IBHE) and the Illinois State Board of Education (ISBE).

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The definition of "Institution of Higher Learning" has been amended to reflect statutory provisions of Public Act 90-122, which became effective on July 17, 1997. This law extended eligibility for some ISAC gift assistance programs to students at certain degree-granting, IBHE-approved proprietary institutions. The definition of "PLUS" has been modified to reflect that this is now the official name of the program and that it is no longer an acronym. Certain clarifications have been added to the definition of "Resident of Illinois." The language "true, fixed and permanent home" which appears in the Free Application for Federal Student Aid (FAFSA) has now been incorporated into ISAC rules for consistency purposes. To the extent practicable, ISAC uses the federal application and need analysis systems in administering its programs in order to simplify the process for students. In addition, for independent students, the required 12 months of continuous residency are now to be measured as of the start of the institution's academic year, rather than September 1, in recognition of the growing diversity of academic year calendars utilized by different schools.

In Section 2700.30(a), the requirements for institutional eligibility have been expanded to reference adherence to federal regulations, State rules, and published policies and procedures, as set forth in the Program Participation Agreement. In order to reduce administrative burden, ISAC is removing the requirement in Section 2700.30(e) that institutions must request advance payment under the gift assistance programs on an annual basis. Now, once an institution has made such a request, it will be deemed to remain in effect until it is withdrawn. In Section 2720.40(a)(1)(B), the phrase "guaranteed by ISAC" has been deleted since this provision applies to all FFELP loans and not just those guaranteed by ISAC. And finally, Section 2700.80, Contractual Agreement Requirements, has been added by moving the provisions formerly located in 23 Ill. Adm. Code 2735.60. The movement of this Section from the Monetary Award Program to General Provisions reflects its applicability to other gift assistance programs.

- 6) Will this rulemaking replace any emergency rulemaking currently in effect?
No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? No
- 9) Are there any other proposed rulemakings pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

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- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may subject written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847)948-8500
rmartinez@isc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2700

GENERAL PROVISIONS

Section	Summary and Purpose
2700.10	Definitions
2700.20	General Institutional Eligibility Requirements
2700.30	General Applicant Eligibility Requirements
2700.40	Determining Applicant Eligibility
2700.50	Electronic Data Exchanges
2700.55	Audits and Investigations
2700.60	Appeal Procedures
2700.70	Contractual Agreements
2700.80	

AUTHORITY: Implementing Sections 1 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/1 through 175]; Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq., as amended by P.L. 102-325); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. 11066, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2700.20 Definitions

"Academic Level" - The classification of a student as a freshman, sophomore, junior, senior, or graduate student.

"Academic Year" - In relation to scholarship and grant programs, a twelve month period of time, normally from August or September of any year through August or September of the ensuing year. In relation to the Federal Family Education Educational Loan Program, academic year is defined at Section 481(d)(2) of the Higher Education Act of 1965,

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as amended (HEA), and at 34 CFR 668.2.

"Alternative Loan" - Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.), or any other federal statute providing for federal insurance of education loans to borrowers.

"Applicant" - Any individual who requests ISAC consideration for a scholarship, grant, tuition waiver, or guaranteed or alternative loan.

"Approved High School" - Any public high school located in this State; and any high school, located in this State or elsewhere (whether designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those public high schools located in this State. (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10])

"Armed Forces" - The United States Army, Air Force, Navy, Marines and Coast Guard.

"Chargeback" - Payment of tuition by the community college district of a student's residence to the community college district of a student's attendance. (See 110 ILCS 805/6-2.)

"Citizen" - One who, under the Constitution and laws of the United States, is a native-born or naturalized citizen of the United States of America.

"College Savings Bond" - A State of Illinois general obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act as a long-term education savings instrument.

"Co-maker" - One of the two individuals who are joint borrowers either on a Federal PLUS Loan that was certified prior to January 1, 1995 or on any Federal Consolidation loan and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Commission" - The ten member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15].

"Compound Accredited Value" - An amount equal to the original amount plus an investment return accrued to the date of determination at a semiannual compounding rate which is necessary to produce the yield at

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maturity indicated on the Official Statement that was issued when the college savings bonds were sold. The "Compound Accredited Value at Maturity" will be equal to \$5000 \$57000 or an integral multiple thereof.

"Concurrent Registration" - The simultaneous enrollment at two or more institutions.

"Consolidation" - A federal program which allows borrowers to consolidate a number of loans into one, as authorized by Section 428C of the HEA.

"Consortium Agreement" - The written agreement between two or more institutions ~~an institution~~ eligible to participate in any of the programs administered by the Illinois Student Assistance Commission (as defined in Section 2700.30 and subsequent Parts of ISAC's rules) ~~and another institution~~ whereby one eligible ~~the second~~ institution provides ~~all or~~ part of the education program of students enrolled at another ~~in~~ the eligible institution. ISAC reserves the right, after review of the agreement, to make the final decision regarding the amount, if any, and the destination of final gift assistance payment(s).

"Contractual Agreement" - The written agreement between an eligible institution and a school or organization that is not eligible for participation in ISAC-administered programs whereby the non-eligible institution provides part of the education program of students enrolled at the eligible institution, as codified in Section 2700.80.

"Correctional Officer" - An employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, and who has responsibility for inmates of any correctional institution under the jurisdiction of the Department.

"Co-signer" - A person who is secondarily liable for the repayment of an Alternative Loan.

"Cost of Attendance" - For the purposes of ISAC's rules, this term is defined at Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 108711).

"Cumulative Grade Point Average" - The average grade earned throughout a student's applicable secondary or postsecondary educational program. The calculation shall be consistent with the institution's established policy or practice and shall be the same as that completed for admission, placement or other similar purposes.

"Default Status" - The failure or refusal of a borrower to make an

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installment payment when due or to meet other terms of the promissory note as defined at 34 CFR 682.200.

"Delinquency" - For the purposes of ISAC's rules, this term is defined at 34 CFR 682.411(b).

"Dependent Student" - A scholarship, loan, tuition waiver or grant applicant or recipient who is not classified as an independent student.

"Disbursement" - In relation to scholarship and grant programs, a disbursement occurs on the payment voucher date. In relation to the Federal Family Education Loan Program, disbursement is the process of transferring loan proceeds as defined at 34 CFR 682.200.

"ED" - The acronym for the United States Department of Education.

"Educational Institution" - Unless otherwise qualified, any secondary or postsecondary educational organization with enrolls students who participate in ISAC programs.

"Educational Lender" - An ~~educational~~ institution that meets the lender eligibility criteria outlined in 23 Ill. Adm. Code 2720.25 for FFELP Loans and 2721.40 for alternative loans.

"EFT" - The acronym for electronic funds transfer.

"Eligible Noncitizen" - A noncitizen who is eligible for federal student assistance pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1091.)

"Endorser" - A person who is secondarily liable for the repayment of a Federal PLUS Loan obligation.

"Enrolled" - The status of a student who has completed the institution's registration requirements and is attending classes.

"Executive Director" - The chief executive officer of ISAC.

"Expected Family Contribution" - The amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution is defined at Section 474 of the Higher Education Act (HEA) of 1965, as amended. (See 20 U.S.C.A. 1087nn.)

"FAFSA" - The acronym for the Free Application for Federal Student Aid.

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"Federal Regulations" - Refers to regulations promulgated by ED and codified at 34 CFR 600 et seq.

"FFELP" - The acronym for the Federal Family Education Loan Program, as authorized by Section 421 of the Higher Education Act, as amended, including subsidized and unsubsidized Federal Stafford Loans, Federal PLUS Loans, Federal SLS Loans and Federal Consolidation Loans.

"Fire Officer" - For the purposes of ISAC's rules, this term means a firefighter who is killed or permanently disabled in the line of duty while employed by, or in the voluntary service of, this State or any public entity in this State.

"Foreign Missionary" - An individual who is assigned duty outside of the United States by an organization that engages in educational, philanthropic, humanitarian or altruistic works. The missionary organization must be exempt from the payment of federal taxes and must have been engaged in placing foreign missionaries for at least five years. Examples of such missionary organizations include, but are not limited to, the following: Peace Corps, Evangelical Alliance Mission, etc.

"Full-time Student" - In relation to scholarship and grant programs, an individual enrolled for twelve or more credit hours, for either a semester or quarter term. In relation to the Federal Family Educational Loan Program, full-time student is defined at 34 CFR 682.200. 660-200.

"Gift Assistance" - Student assistance funds in the form of a scholarship, grant or tuition waiver, including, but not limited to, federal, State, institutional and private aid.

"Good Moral Character" - An applicant is of good moral character if the applicant will benefit from postsecondary instruction and is allowed to enroll at an approved postsecondary institution.

"Graduating Class" - The students who will complete the high school's program of instruction and graduate within an academic year.

"Guaranteed Loan(s)" - Loan assistance through the Federal Family Education Loan Program (FFELP) which includes the subsidized and unsubsidized Federal Stafford Loan, the Federal PLUS Loan, the Federal Supplemental Loans for Students (SLS), and the Federal Consolidation Loan programs.

"HEA" - The acronym for the Higher Education Act of 1965, as amended, and codified at 20 U.S.C.A. 1070 et seq.

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"Half-time Student" - In relation to scholarship and grant programs, an individual enrolled for six or more credit hours (but fewer ~~less~~ than twelve credit hours) for either a semester or quarter term. In relation to the Federal Family Education Loan Program, half-time student is defined at 34 CFR 682.200.

"Holder" - An organization authorized by ED and ISAC to purchase or retain possession of guaranteed loans. These organizations operate as commercial and educational lenders or secondary markets and may purchase ISAC-guaranteed loans from approved lenders.

"IBHE" - The acronym for the Illinois Board of Higher Education, the administrative agency created by the Board of Higher Education Act [110 ILCS 947/205].

"IDAPP" - The acronym for ISAC's Illinois Designated Account Purchase Program as authorized by the Education Loan Purchase Program Law [110 ILCS 947/125 through 170].

"Independent Student" - For the purposes of ISAC's rules, an independent student is defined by Section 480 of the Higher Education Act of 1965, as amended by P.L. 102-325. (See 20 U.S.C.A. 1087vv.)

"Institution" - Unless otherwise qualified, any secondary or postsecondary educational organization which enrolls students who participate in ISAC programs.

"Institution of Higher Learning" - An educational organization located in Illinois which:

provides at least a two-2 year program of collegiate study in liberal arts or sciences, or associate degree or both, directly applicable toward the attainment of a baccalaureate degree, or, a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree; and

is operated either:

operated by the State, or

operated publicly or privately, not for profit, or

for profit, provided it:

Offers degree programs which have been approved by the IBHE for a minimum of three years under the Academic Degree Act, and

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enrolls a majority of its students in these degree programs, and

maintains accredited status with the North Central Association of Colleges and Schools Commission on Institutions of Higher Education.

For otherwise eligible educational organizations which provide academic programs for incarcerated students, the term "institution of higher learning" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act).

"Institution of Record" - The postsecondary institution at which a student is enrolled and seeking a degree or certificate. This institution assumes primary responsibility for certification of eligibility for ISAC-administered programs and for requesting payment from ISAC.

"ISAC" - The acronym for the Illinois Student Assistance Commission: the administrative agency created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15] to administer student assistance programs.

"ISBE" - The acronym for the Illinois State Board of Education.

"Lender" - An organization authorized by ISAC to make educational loans to students.

"Mandatory Fees" - The charges assessed by an institution to each and every full-time student for each term. Application, graduation, laboratory, breakage, add/drop fees, and program administrative fees for out-of-state or foreign study are specifically excluded. For the purposes of ISAC's rules, tuition is not a mandatory fee.

"MAP" - The acronym for the Monetary Award Program administered by ISAC, as authorized by 110 ILCS 947/35 and codified at 23 Ill. Adm. Code 2735.

"Master Check" - A single check representing the loan proceeds for more than one borrower.

"Minority Student" - A student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including

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Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia); or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska (Section 50(a) of the Higher Education Student Assistance Act).

"Parent" - For the purposes of ISAC's rules, this term "parent" is defined at 34 CFR 668.2.

"Pell Grant" - A federal gift assistance program administered by ED in accordance with Section 411 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1070a et seq.)

"PLUS" - The acronym--for--the federal Parent-Boans-for-Undergraduate Students program which provides loans to parents of certain students, as authorized by Section 428B of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-2) and Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175].

"Police Officer" - For the purposes of ISAC's rules, this term means a law enforcement officer who is killed or permanently disabled in the line of duty while employed by, or in the voluntary service of, this State or any public entity in this State.

"Qualified Applicant" - An individual who meets the eligibility requirements of the gift assistance program for which s/he is applying.

"Regular School Year" - An eight to nine month period of time which includes two semester terms or three quarter terms. The regular school year excludes summer terms. Terms that begin after April 15 and end before September 16 are considered summer terms.

"Remedial Courses" - The course work that prepares a student for study at the postsecondary level and is necessary for the student to pursue the eligible postsecondary program.

"Resident of Illinois" -

A dependent student is a resident of Illinois if the parent of the dependent-applicant, who is required by the instructions to complete the Free Application for Federal Student Aid (FAFSA), physically resides within the State of Illinois; and Illinois is his or her true, fixed and permanent home.

An independent student is a resident of Illinois if the applicant physically resides within the State of Illinois (at the time of

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application), and has so resided for a period of 12 twelve continuous, full months immediately prior to the start September of the academic year for which assistance is requested; and Illinois is his or her true, fixed and permanent home.

When an applicant does not qualify as a resident of Illinois under the preceding two paragraphs and the applicant is a member of the U.S. Armed Forces or a foreign missionary, or is the dependent or the spouse of an individual who is a member of the U.S. Armed Forces or a foreign missionary, then the applicant's residency shall be determined in accordance with the following four paragraphs.

An applicant who is a member of the U.S. Armed Forces will be a resident of Illinois if the applicant physically resided in Illinois immediately prior to entering the U.S. Armed Forces, returned (or plans to return) to Illinois within six 6 months after and including the date of separation the--conclusion--of entitlement and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such enlistment.

An applicant who is a foreign missionary will be a resident of Illinois if the applicant physically resided in Illinois for six 6 continuous months immediately prior to entering missionary service, returned (or plans to return) to Illinois within six 6 months after the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such missionary service.

The dependent-applicant shall be a resident of Illinois notwithstanding the parent(s)' temporary physical absence from Illinois provided the parent(s) would be a resident of Illinois under the preceding two paragraphs.

The spouse-applicant shall be a resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois provided the applicant can demonstrate that his/her absence from the State was the result of residing with the spouse during enlistment or missionary service outside of Illinois and that the spouse-applicant's domicile continues to be the State of Illinois.

"Rules" - The rules of ISAC codified at 23 Ill. Adm. Code: Subtitle A, Chapter XIX.

"Satisfactory Academic Progress" - An institutional policy which

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establishes minimum standards of academic performance. For purposes of ISAC-administered programs, the standards must be at least as stringent as those required by ED pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1091.)

"Service Academy" - *The U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy* (Section 30(a) of the Higher Education Student Assistance Act).

"SUS" - The acronym for the federal Supplemental Loans for Students program, as authorized by Section 428A of the Higher Education Act, as amended (20 U.S.C.A. 1078-1). No new SUS loans have been made for periods of enrollment beginning on or after July 1, 1994.

"Special Education" - A postsecondary educational program designed to teach persons how to meet the needs of all children designated as physically disabled **handicapped**, with specific learning disabilities, or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02 and 7.20a.) These programs prepare persons for meeting the needs of children who exhibit disabilities **handicapping** or exceptional characteristics ranging from very mild to very severe. (See 23 Ill. Adm. Code 226, Special Education.) Such a program prepares a student to teach physically disabled **handicapped** children or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

"Stafford" - The federal subsidized and unsubsidized loan programs as authorized by Sections 427, 428 and 428H of the Higher Education Act, as amended (20 U.S.C.A. 1078).

"Student Beneficiary" - An individual designated as the recipient of a College Savings Bond Bonus Incentive Grant.

"Teacher Education Program" - An undergraduate postsecondary course of study which, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study which leads to a teacher education program.

"Teacher Shortage Discipline" - An academic discipline in which a shortage of teachers exists in Illinois, as designated by the Illinois State Board of Education.

"Term" - A unit of time for student attendance, including, but not limited to, a quarter or semester.

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"Tuition" - The charge for instruction assessed by an **a--postsecondary** institution.

"Verification" - Procedures implemented by postsecondary institutions to verify the eligibility of applicants. The procedures are established by 34 CFR 668 et seq. and by ISAC's rules.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2700.30 General Institutional Eligibility Requirements

a) ISAC Program Participation Agreement

1) All institutions shall execute an ISAC Program Participation Agreement in order to participate in ISAC gift assistance programs.

2) The ISAC Program Participation Agreement shall identify the ISAC programs under which the institution's students may receive benefits.

3) The ISAC Program Participation Agreement shall include provisions requiring institutions to comply with statutes, federal rules-and regulations, State rules, published policies and procedures.

4) The ISAC Program Participation Agreement may be modified or terminated in accordance with 23 Ill. Adm. Code 2790, Limitation, Suspension or Termination Proceedings.

b) With respect to ISAC student assistance programs, institutions shall develop and maintain procedures to verify the consistency and accuracy of information received from their enrolled recipients.

c) Institutions shall be subject to possible limitation, suspension or termination of eligibility for failure to comply with statutes, regulations, rules or procedures and for failure to maintain the standards required by this Section for initial participation. (See 23 Ill. Adm. Code 2790.)

d) Postsecondary institutions which participate in gift assistance programs shall annually submit to ISAC a copy of both their satisfactory academic progress policy and their tuition refund policy. Public postsecondary institutions shall also submit a copy of their policy establishing a minimum grade point average for recipients of grants pursuant to the Illinois National Guard Grant program and the Illinois Veteran Grant program. Such submissions shall not be considered ISAC approval of such policies.

e) Postsecondary institutions which participate in gift assistance programs shall annually report their tuition and fee charges, **as well as advance payment--requests**, to ISAC on or before June 1 preceding each academic year.

1) Failure to report any cost changes by the deadline will cause the prior year's charges to be used as part of the calculation process for gift assistance benefits. Failure to report the

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assessment of a fee charge by the deadline will result in that fee charge being ineligible for payment under ISAC gift assistance programs.

- 2) The report shall match specific fee charges with the gift assistance program(s) which may finance the fee. Such categorizations by the institution shall not be considered ISAC approval.

- 3) The Illinois National Guard Grant and the Illinois Veteran Grant (IVG) Programs may finance only a portion of certain fee charges. (See 23 Ill. Adm. Code 2730.10(c) and 2733.20(f).)

A) Example: One fee finances both tuition and text book expenses. Only the portion of the fee which is attributable to tuition expenses may be financed with program benefits.

- B) Institutions with such a fee shall certify what percentage of the fee is eligible to be financed with program benefits. Certification shall be performed by the institution's chief fiscal officer.

- f) Institutions shall submit additional reports, data and information to ISAC as may be requested. These inquiries include, but are not limited to, surveys, enrollment confirmations and evaluation instruments.

- g) Additional institutional eligibility requirements are contained in subsequent parts of ISAC's rules.

- h) Postsecondary institutions may apply to participate in ISAC-guaranteed loan programs in accordance with 23 Ill. Adm. Code 2720.

- i) Postsecondary institutions may apply to participate in ISAC gift assistance programs in accordance with this subsection.

- 1) The Commission approves participation in ISAC gift assistance programs for an institution rather than for specific academic programs within an institution.

- 2) Prior to applying for participation in ISAC gift assistance programs, the institutional applicant must have authority to operate a postsecondary institution in Illinois. (See 23 Ill. Adm. Code 1030.)

- 3) Institutional applicants which are fully accredited by the North Central Association and have degree-granting authority may be approved to participate in ISAC gift assistance programs provided the institution meets and maintains the requirements of subsections (i)(4)(C) and (D) below.

- 4) Institutional applicants which do not meet the requirements of subsection (i)(3) above may be approved to participate in ISAC gift assistance programs if the institution has:

- A) obtained candidate status for North Central accreditation.
- B) applied for and is seeking degree-granting authority.
- C) obtained at least three letters indicating the transferability of academic credit from the applicant institution to other institutions. The letters must be from institutions which are approved to participate in the

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Monetary Award Program (MAP) and are fully accredited by the North Central Association. (See 23 Ill. Adm. Code 2735.60.)

- D) an adequate number of qualified persons to administer their responsibilities under ISAC's rules. In determining whether an institution employs an adequate number of qualified persons, the Commission considers the number of students aided, the number of programs in which the institution participates, the number of applications evaluated, the amount of funds administered, and the financial aid delivery system used by the institution.

- 5) Institutional applicants must also supply ISAC with audited financial statements, prepared by an independent third party in accordance with generally accepted accounting principles, to establish financial responsibility. (See, e.g., 34 CFR 668.15.)
- 6) Once approved to participate in ISAC gift assistance programs by the Commission, an institution shall receive provisional eligibility for a minimum of five academic years.

- A) On or before June 1 preceding each academic year, an institution with provisional eligibility shall annually submit three letters indicating the transferability of academic credit to other institutions for the following academic year. These letters must be from ISAC-approved MAP institutions which are fully accredited by the North Central Association.

- B) An institution with provisional eligibility must petition the Commission for full eligibility. Full eligibility will be granted if the institution meets the requirements of subsection (i)(3) above and if there are no outstanding audit exceptions.

- j) As a condition of eligibility for participation in ISAC student assistance programs, postsecondary institutions shall have a valid Program Participation Agreement with ED (see Section 487 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1094)) and shall report their Office of Postsecondary Education Identification (OPE-ID) number to ISAC.

- k) In order to begin and to continue participation in ISAC-administered student assistance programs, institutions must also demonstrate administrative capability and financial responsibility, as defined by federal regulations. (See, e.g., 34 CFR 668.15 & 668.16.) An institution's failure to meet and maintain those standards can lead to limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)

- l) Institutions that have been assigned multiple OPE-ID numbers will be considered separate entities by ISAC.

- m) An institution shall notify ISAC of its Federal Employer Identification Number (FEIN) in order to receive payment pursuant to any ISAC-administered program.

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(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2700.40 General Applicant Eligibility Requirements

a) Except as otherwise provided by this subsection, an applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.

1) Eligibility for guaranteed loans may be reinstated in accordance with federal regulations and the following provisions:

- A) Eligibility for ISAC-guaranteed loans will be reinstated when:
 - i) the debt has been paid in full;
 - ii) the borrower has made a "satisfactory repayment arrangement," in accordance with 34 CFR 682.200;
 - iii) the borrower's prior defaulted loan(s) has been rehabilitated, in accordance with 34 CFR 682.405; or
 - iv) the borrower has made payments on a defaulted loan(s) to consolidate that loan(s) in accordance with 34 CFR 682.201.
- B) Borrowers are eligible to use subsection (A)(ii) above only one time during the entire life of any loan guaranteed by ISAC.

C) Eligibility for ISAC-administered gift assistance will be reinstated for current and future terms when the applicant has maintained a satisfactory repayment record for at least six consecutive months or has met the requirements of subsection (a)(1)(A) above. Factors to be considered by ISAC in evaluating the repayment record include: the amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant, and the frequency of the applicant's contact with ISAC.

2) A qualified applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (a)(1)(C) above, must be established. If such a repayment record is not established, additional assistance shall be denied until a satisfactory repayment record is established.

b) No applicant shall receive ISAC-administered assistance if the applicant owes a refund for any ISAC-administered gift assistance, a Federal Federal Pell Grant, or a Federal Federal Supplemental Educational Opportunity Grant (FSEOG) (50 U.S.C.A. 1070(b)).

c) An applicant shall, upon request, provide documentation to establish and verify eligibility. (See Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.

d) An applicant supplying fraudulent data shall be denied assistance and

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may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.

e) Each applicant ~~All--~~applicants must submit his/her ~~their~~ Social Security Number (SSN).

f) Recipients who cease to be residents of Illinois after notification of eligibility may complete the academic year with the assistance awarded.

g) Unless otherwise provided, benefits under gift assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor. Benefits under gift assistance programs are generally limited to the regular school year. If funding is available, assistance for summer terms shall be awarded separately.

h) When gift assistance eligibility is limited to a specified number of term payments, the eligibility cap is calculated in accordance with this subsection.

1) For each semester term of full-time payment benefits, the recipient is assessed six eligibility units. For each quarter term of full-time payment benefits, the recipient is assessed four eligibility units.

2) For each semester term of half-time payment benefits, the recipient is assessed three eligibility units. For each quarter term of half-time payment benefits, the recipient is assessed two eligibility units.

3) Sixty eligibility units are the equivalent of payments for ten semesters/fifteen quarters of full-time benefits.

4) Forty-eight eligibility units are the equivalent of payments for eight semesters/twelve quarters of full-time benefits.

i) An applicant shall comply with Selective Service registration requirements, pursuant to 34 CFR 668.31 et seq.

j) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program), an applicant must be maintaining satisfactory academic progress in accordance with the institution's policy.

k) Students enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance benefits, except for Illinois National Guard Grant and Illinois Veteran Grant program recipients.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2700.50 Determining Applicant Eligibility

a) The evaluation of applicant eligibility is the responsibility of both the institution and ISAC.

b) No applicant is announced eligible for assistance by ISAC unless the application establishes prima facie eligibility. ISAC consults with

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other appropriate state and federal agencies in the process of reviewing application data. Such agencies include, but are not limited to, the U.S. Department of Education (ED), U.S. Internal Revenue Service (IRS), U.S. Immigration and Naturalization Service (INS), Illinois Department of Public Aid, Illinois Department of Revenue, and Illinois Department of Children and Family Services.

c) When requesting payment for ISAC gift assistance programs, the postsecondary institution must certify that the applicants are eligible for the assistance. If an institution subsequently determines a student is no longer eligible for all or part of the awarded assistance, the institution must inform ISAC and submit the appropriate refund within 60 days after the receipt of payment or the end of a term, whichever is later.

d) When requesting payment of benefits, institutions shall certify (in accordance with ISAC's rules and/or federal regulations) whether an applicant is eligible based upon enrollment in a particular academic program.

e) If an institution erroneously certifies an applicant to be eligible for ISAC gift assistance programs, ISAC will recover the erroneous payment from the institution. Any student who obtained ISAC-administered funds by submitting inaccurate information to an institution must tender restitution to the institution to be eligible for ISAC assistance at that institution.

f) If an applicant is selected for verification in conjunction with federal student assistance, that applicant shall also be verified for ISAC-administered programs. A selected applicant must be verified for ISAC programs even if the applicant is ineligible for federal student assistance.

g) Because ED verification procedures do not include procedures for verifying a student as a resident of Illinois, the following provisions shall be followed by the institution ~~institutions~~.

1) Notwithstanding the requirements of subsection (g)(2) below, residency verification shall not be required for students who received payment of a MAP award during the previous academic year.

2) Residency status shall be verified for each applicant who is selected for verification and meets one of the following criteria:

- A) the applicant has changed dependency status and has become an independent student; ~~or~~
 - B) the applicant has not been enrolled in an ISAC-approved MAP institution or an ISAC-approved Illinois high school (see Section 2700.30) during the preceding twelve months; or
 - C) the institution has any information which indicates the applicant may not be a resident of Illinois.
- 3) Data from one ~~one~~ or more of the documents listed below may provide proof that an applicant (or parent) is an Illinois resident, as defined in Section 2700.20. For an independent

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student applicant, the dates recorded on the documents must indicate the applicant has resided in Illinois for the relevant twelve continuous, full months.

- A) A valid State or federal income tax return
- B) Illinois high school or college transcript
- C) Illinois driver's license
- D) Utility or rent bills in the applicant's (or parent's) name
- E) Illinois auto registration card
- F) Residential lease in the applicant's (or parent's) name
- G) Wage and tax statements (IRS Form W-2)
- H) Statement of benefits history from the Illinois Department of Public Aid

I) State of Illinois identification card issued by the Secretary of State

J) Statement of benefits from the Illinois Department of Employment Security.

4) If an applicant is a resident of Illinois, but the institution cannot document this fact in accordance with subsection (g)(2) above, the applicant or the institution may verify residency through ISAC's appeal process. (See Section 2700.70.)

h) Institutions may request first term payment even though verification is not yet complete. If, after verification, an ISAC payment adjustment is appropriate, institutions must submit the appropriate refund. If verification is not completed within 60 days after the conclusion of the regular school year, the institution shall return the first term payment to ISAC. For other than the first term of eligibility in an academic year, the verification process must be completed before the institution may request payment.

i) When an institution adjusts an applicant's eligibility pursuant to Title IV, part F, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1087kk et seq.), the institution shall retain documentation which demonstrates the appropriateness of such adjustment.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2700.55 Electronic Data Exchanges

a) ISAC will provide eligible institutions and lenders with electronic data regarding applicants. In return, institutions and lenders will provide ISAC with electronic data on applicants as required by ISAC's rules.

b) Information on the availability of electronic data exchanges shall be provided in ISAC publications. To participate in electronic data exchanges, the institution or lender shall:

- 1) meet the eligibility guidelines established by ISAC;
- 2) execute a written agreement with ISAC, outlining the conditions of participation; and

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- 3) select a machine readable medium for teletransmission.
- c) In the event the medium is lost, damaged, mutilated or erased, the party responsible shall bear the cost of replacing or restoring the medium.
- d) ISAC shall provide program documentation and reasonable technical assistance related to data exchanges. The data and program documentation shall be confidential and shall not be used, sold or shared for any purpose other than that which is those directly related to the internal operations of the institution, lender or ISAC.
- e) Institutions and lenders participating in direct teletransmission data exchanges shall be provided with security procedures including access codes and passwords. Institutions and lenders shall be responsible for implementing appropriate safeguard procedures to protect the integrity of the data transmitted or received.
- f) Institutions and lenders shall comply with all applicable federal and State laws which regulate the privacy of, and access to, applicant data. (See, e.g., the Family Educational Rights and Privacy Act (20 U.S.C.A. 1232g); the Freedom of Information Act [5 ILCS 140]; Section 487 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1094); and 34 CFR 682.610.)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2700.60 Audits and Investigations

- a) ISAC shall audit participating postsecondary institutions. Postsecondary institutions shall be audited once every three years (schedule permitting) unless more frequent audits appear to be necessary due to circumstances such as: substantial increases in student enrollment, evidence that the institution is experiencing difficulty meeting the requirements of ISAC's rules or federal regulations, or discrepancies in past audits conducted by ISAC. Institutions with provisional eligibility shall be audited annually, schedule permitting. Secondary institutions may be audited when ISAC has a complaint indicating an audit is appropriate. Audits shall usually be announced, but ISAC reserves the right to make unannounced audits.
- b) ISAC shall have access to all records related to ISAC programs. These records include, but are not limited to: admission records, financial records, registration records, attendance and enrollment records, financial aid transcripts, grades, academic transcripts and records maintained in accordance with ED verification procedures.
- c) ISAC audits shall be conducted in accordance with generally accepted audit standards as promulgated by the U.S. General Accounting Office publication "Standards for Audit of Governmental Organizations, Program Activities and Functions," where applicable.
- d) The institution shall be extended an opportunity to review and comment

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on the auditor's preliminary findings before the final audit report is submitted to the institution's chief executive officer. Audit findings may be appealed in accordance with Section 2700.70, Appeal Procedures.

- e) If an audit identifies gift assistance funds which were claimed on behalf of ineligible students, the funds shall be deducted from subsequent payments to the institution.
- f) ISAC may visit institutions to conduct investigations related to fraud and abuse of its ISAE programs. Campus administrators and/or campus security police may be consulted as part of any ongoing investigation.

(Source: Amended at 21 Ill. Reg. 11066, effective July 18, 1997)

Section 2700.80 Contractual Agreements

- a) The primary purpose of an ISAC-approved contractual course of study must be educational and must lead to, and be required for, a degree or health education certificate in a published course of study offered by an ISAC-approved institution.
- b) All contractual agreements between ISAC-approved public institutions and non-approved institutions must be programs approved by the Illinois Board of Higher Education (IBHE). (See 23 Ill. Adm. Code 1050.) All ISAC-approved institutions not governed by the IBHE program review and approval procedures shall submit their contractual agreements to ISAC for approval prior to requesting MAP payment for any contractual course work taken. ISAC may approve the contractual agreement if the terms are consistent with this Section.
- c) The institution of record must be an ISAC-approved institution.
- d) An ISAC-approved institution may enter into a contractual agreement with a non-approved institution/agency only if the ISAC-approved institution does not have specific educational facilities and faculties available within the institution to offer the Illinois Board of Higher Education-approved programs.
- e) All ISAC-approved institutions are required to submit to ISAC a published curriculum of all courses leading to a certificate or degree in all programs involving contractual agreements between two or more institutions/agencies. Only courses required for these programs that are included in the published curriculum will be eligible for ISAC payment. Furthermore, only those courses approved by the Illinois Community College Board for baccalaureate or vocational programs in the public community colleges will be eligible for ISAC payment at the public community colleges.
- f) The Chief Executive Officer of all ISAC-approved institutions not subject to IBHE contractual guidelines and/or program review and approval procedures should certify to ISAC that the following items are included within the contractual agreement and are the responsibilities of the ISAC-approved institution:
 - 1) administrative responsibility for the program is with the

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- ISAC-approved institution;
- 2) provisions for program supervision, including on-site visits by the ISAC-approved institution;
 - 3) admission policies consistent with the approved institution's policies;
 - 4) procedures for the maintenance of records and transcripts by the ISAC-approved institution;
 - 5) statement on student tuition, mandatory fees and other charges;
 - 6) number of credit hours required and criteria for course completion within the program consistent with the ISAC-approved institution's policies and guidelines for all programs;
 - 7) student withdrawal policy consistent with ISAC-approved institution policy;
 - 8) maintenance of liability insurance;
 - 9) responsibility for faculty employment and evaluation;
 - 10) availability of student auxiliary services;
 - 11) consistency with policies, rules and regulations of other State approval agencies;
 - 12) establishment and utilization of a representative advisory committee;
 - 13) provision for follow-up studies consistent with the ISAC-approved institution practices;
 - 14) annual program and contract review by the ISAC-approved institution; and
 - 15) certification that the non-approved institution/agency meets statutory requirements and is approved by appropriate State of Illinois agencies and boards.
- g) ISAC requires all ISAC-approved institutions to indicate the percentage of their own students who participate in the contract program(s) of study, and the percentage of all students enrolled in the non-approved institution/agency who will receive tuition assistance through an approved contractual agreement. When either of these percentages exceeds 30%, the contractual agreement will not be approved by ISAC.
- h) All students wishing to enter into programs where contractual courses are taken must be informed by the ISAC-approved institution whether these courses are eligible for ISAC payment.
- i) The contractual agreement shall be filed with ISAC along with annual tuition and fee charges. (See 23 Ill. Adm. Code 2700.30(e).)

(Source: Added at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Illinois Incentive For Access (IIA) Program
- 2) Code Citation: 23 Ill. Adm. Code 2736
- 3) Section Numbers: Proposed Action:
2736.10 Amendment
2736.20 Amendment
2736.30 Amendment
- 4) Statutory Authority: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

Section 2736.20(b)(2) has been deleted since it duplicates the provisions already contained in General Provisions, at 23 Ill. Adm. Code 2700.40(k). In Section 2736.30(a)(2), the new program name of "Temporary Assistance for Needy Families" has been substituted for "Aid to Families with Dependent Children," which it has replaced.
- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the

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publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which on this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2736

ILLINOIS INCENTIVE FOR ACCESS (IIA) PROGRAM

Section	Summary and Purpose
2736.10	Applicant Eligibility
2736.20	Program Procedures
2736.30	Institutional Procedures
2736.40	

AUTHORITY: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 10397, effective August 1, 1996, for a maximum of 150 days; adopted at 20 Ill. Reg. 15067, effective November 15, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11110, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2736.10 Summary and Purpose

- a) The Illinois Incentive for Access (IIA) Program provides grant assistance to freshmen who have a limited ability to pay for college. The purpose of the program is to provide access and retention for this population and, possibly, to reduce their loan debt.
- b) This Part establishes rules which govern the IIA Illinois-Incentive for-Access Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2736.20 Applicant Eligibility

- a) A qualified applicant shall be:
- 1) a citizen or eligible noncitizen;
 - 2) a resident of Illinois;
 - 3) an undergraduate student;
 - 4) officially classified by the institution as a freshman;
 - 5) enrolled at an ISAC-approved institution of higher learning;
 - 6) enrolled in an eligible degree or certificate program (see 23 Ill. Adm. Code 2735.20(a)(4));
 - 7) enrolled on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period;

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- 8) making satisfactory academic progress as determined by the institution; and
- 9) without personal or family financial resources available for expenditure toward educational expenses, as defined by current federal student financial aid methodology (i.e., \$0 Expected Family Contribution).
- b) A qualified applicant shall not have previously received a baccalaureate degree, or
- 2) be incarcerated;

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2736.30 Program Procedures

- a) An applicant applies for an ITA grant by using the form which the United States Department of Education (ED) designates as the application form for federal student financial aid. (See 20 U.S.C.A. 1070a.) This is also the application form used for the Monetary Award Program (MAP) grant. (See 23 Ill. Adm. Code 2735.30(a).)
- 1) An applicant must authorize ED to release his/her data to ISAC.
 - 2) An applicant, spouse and/or parents of the applicant, as applicable, are required to submit financial information on the application regarding income, asset value and non-taxable income (e.g., Temporary Assistance for Needy Families Aid--to--Families with Dependent Children, public aid, veterans' benefits or Social Security benefits). This information shall be kept confidential.
 - 3) A recipient **an-applicant** must report to the institution all additional gift assistance, such as tuition waivers and scholarships.
 - 4) An applicant must file his/her application by the deadline date established by ISAC.

- b) A qualified applicant may receive one grant of up to \$500.
- c) The application must be complete at the time the grant is awarded. ISAC must have accurate data to properly determine an applicant's eligibility. If changes or corrections are necessary after receipt of corrected data, ISAC shall recalculate awards for those applicants whose applications are not in agreement with their financial records. It is the responsibility of IIA grant applicants to gain admission to approved Illinois institutions. Illinois institutions are not obligated to admit IIA applicants.
- e) IIA grant payment is subject to the limit of dollars appropriated to ISAC by the Illinois General Assembly. If funds are insufficient to pay all claims, grants will be awarded according to the date the completed applications were received until funds have been expended. ISAC must submit a written evaluation of the IIA Illinois--Incentive for Access Program to the Governor, the General Assembly and the Board of Higher Education, including a report of the progress made toward

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the goal of increasing the access and retention rates for IIA grant recipients. Therefore, ISAC may collect data from institutions to comply with this requirement.

- g) IIA grants are applicable to any expense that is used to calculate the applicant's cost of attendance.
- h) The IIA grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) test or for a high school diploma. (See, e.g., 23 Ill. Adm. Code 215.)
- i) The IIA grant shall not pay for audit courses, credit-by-examination and/or life experience, noncredit course offerings (except qualifying remedial courses) or correspondence courses. Such course work cannot be used to meet the half-time requirement. Remedial courses shall be eligible for IIA payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as a part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses are eligible for IIA payment.
- j) An institution is obligated to provide IIA recipients the same facilities and instruction, on the same terms, as those provided to other students.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

at Chicago.

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NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Illinois National Guard (ING) Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 2730
- 3) Section Numbers:

2730.10	<u>Proposed Action:</u>
2730.20	Amendment
2730.30	Amendment
2730.40	Amendment
- 4) Statutory Authority: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

In Section 2730.20(d), the provision for verification of address changes has been removed since it is archaic, costly and unnecessary. In Section 2730.30(f)(1) and again in Section 2730.40(c), language has been added to clarify that institutions must report to ISAC any noncredit courses for which benefits are used, so that we may accurately track the use of eligibility units. Also, language regarding chargebacks has been added to Section 2730.40(e)(5) in order to conform to the language used in the corresponding provision under the Illinois Veteran Grant Program set forth in Section 2733.40(f)(5).

- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate

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additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2730

ILLINOIS NATIONAL GUARD (ING) GRANT PROGRAM

Section
2730.10 Summary and Purpose
2730.20 Applicant Eligibility
2730.30 Program Procedures
2730.40 Institutional Procedures

AUTHORITY: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; rules repealed at 6 Ill. Reg. 8239, effective June 30, 1982; new rules adopted at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10877; amended at 8 Ill. Reg. 17016, effective September 5, 1984; amended at 9 Ill. Reg. 20827, effective January 1, 1986; amended at 11 Ill. Reg. 3202, effective January 29, 1987; amended at 12 Ill. Reg. 11531, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1730 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2730 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989; at 13 Ill. Reg. 17857; amended at 14 Ill. Reg. 10567, effective July 1, 1990; amended at 16 Ill. Reg. 11254, effective July 1, 1992; amended at 17 Ill. Reg. 10563, effective July 1, 1993; amended at 18 Ill. Reg. 10303, effective July 1, 1994; amended at 20 Ill. Reg. 9187, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11119, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2730.10 Summary and Purpose

- a) As described in this Part, eligible Eligible recipients are entitled to an exemption from payment of tuition and certain fees at State universities and community colleges ~~as described in this Part~~. If funds appropriated for the Illinois Student Assistance Commission (ISAC) are insufficient to reimburse public postsecondary institutions for all recipients, the obligation to pay is transferred to the ~~educational~~ institution.
- b) This Part establishes rules which govern the Illinois National Guard Grant Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 2730.20 Applicant Eligibility

- a) Students must file an application annually indicating the institution to be attended. No payment will be authorized for any applicant until a current application is on file. The deadline for applications will be September 15 for first term, March 1 for second semester/second and third quarter, and June 15 for the summer term. Institution of attendance changes must also be reported by these dates.

- 1) Qualified applicants will receive an eligibility letter from ISAC for each academic year following the filing of the application.

This letter must be delivered to the ~~educational~~ institution at which the student is enrolled. Ineligible applicants will receive written notification from ISAC of their ineligibility to receive program benefits; and

- 2) ISAC will verify application data in consultation with the Illinois Department of Military Affairs when reviewing an application.

- b) Applicants must have served for at least one year in the Illinois National Guard. Eligibility is available to any enlisted person or any company grade officer including warrant officers, first and second lieutenants, and captains in the Army and Air National Guard.

- c) Recipients must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.

- d) Changes of address, name, status with the Illinois National Guard, or institution of attendance must be reported in writing to ISAC. ~~Verification of receipt of changes sent to ISAC will be mailed directly to the applicant's address on record with ISAC.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2730.30 Program Procedures

- a) The recipient is exempt from paying the following:

- 1) tuition;
- 2) registration fees;
- 3) graduation fees; and
- 4) general activity fees.

- b) The recipient is responsible for payment of other fees, including the following:

- 1) book rental fees;
- 2) laboratory and supply fees;
- 3) air flight fees;
- 4) hospital and health insurance fees;
- 5) room and board;
- 6) parking fees;
- 7) student union fees;
- 8) athletic fees; and

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- 9) proficiency or placement exam(s) and other similar fees.
- c) Benefits are applicable to both undergraduate and graduate enrollment. There is no minimum credit-hour enrollment requirement. Benefits are applicable for noncredit courses.
- d) Benefits may be used at Illinois public senior universities and at any Illinois public community college.
- e) Within the constraints of appropriation levels, two semester or three quarter term payments and one summer term payment are made directly to the institution after it officially certifies to ISAC that the applicant has registered and is attending classes. No seminars or other special terms are covered under the grant. Summer term is considered the final term of the academic and fiscal year.
- f) Recipients are entitled to receive benefits for the equivalent of eight semesters/twelve quarters of full-time enrollment.
- 1) To determine the amount of eligibility a recipient has used, credit hours (and noncredit hours for which benefits are used) will be converted to "eligibility units" according to the following chart:

Number of Hours	Semester School	Quarter School
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
0 - 2.99 hours	1 unit	1 unit

- 2) Recipients may continue to reapply and accumulate up to 96 units, after which point eligibility for program benefits will cease.
- 3) If an eligible recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive a grant for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.
- 4) In the event that the recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion to the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.
- Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund policy. The recipient would use six eligibility units and would receive \$300 in benefits.
- 5) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course

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- g) having the same number of total faculty contact hours.
- h) If a current year applicant is discharged or has membership extended by the Illinois National Guard, ISAC will send a revised eligibility letter or ineligibility letter to the applicant. In the case of discharge, a copy of the letter will be sent to the institution of record.
- i) If a recipient ceases to be a member of the Illinois National Guard during a term, benefits cease, and the student is responsible for the unpaid costs attributed to the remainder of the term. If an applicant becomes eligible during a term, in accordance with Section 2730.20(b), benefits will be prorated for that portion of the term for which the applicant is eligible, provided the application is submitted by the deadlines. Costs are prorated on the basis of the institution's scheduled days of instruction minus institutionally scheduled holidays and examination periods.

Calculation: Total tuition cost divided by total instructional days = cost per day x days of eligibility = total proration.

- j) Out-of-state residents will receive tuition and applicable fee benefits equivalent to those received by in-state residents at the Illinois institution; recipients attending out-of-district community colleges will receive tuition and applicable fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-state and out-of-state tuition nor will they be responsible for paying the difference between in-district and out-of-district tuition.
- k) If a student is eligible for both an Illinois National Guard Grant and a MAP grant award, the Illinois National Guard benefits must be used first. A student cannot decline an Illinois National Guard Grant in favor of using MAP.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2730.40 Institutional Procedures

- a) The institution must establish a qualified applicant's initial eligibility before requesting payment from ISAC. A valid Illinois National Guard Grant eligibility letter may be used for this purpose.
- b) When submitting payment requests, the institution shall certify that the recipient meets the requirements of Section 2730.20(c), Applicant Eligibility.
- c) Institutions must report all hours for which payment is requested, including credit and noncredit courses.
- d) Payment information will be sent each term to the institution no earlier than the application deadline date for that term. Payment claims must be submitted no later than 30 calendar days after payment

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information has been sent to the institution by ISAC. Supplemental payment claims must be submitted to ISAC no later than 45 calendar days after the original payment information was sent to the institution with the exception of summer term supplements which must be submitted by the same deadline as the original payment claim for summer term. All payment claims received by ISAC after the designated dates will be paid or prorated during the fiscal lapse period (July 1 through August 31) following the conclusion of the fiscal year.

e)† Claims will be paid as follows:

- 1) first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full;
- 2) if funds remain after first semester and first quarter claims are paid, then second semester and second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full;
- 3) if funds still remain after the preceding claims are paid, summer term claims received by the designated deadline date will be paid, or prorated if remaining funds are insufficient to pay all summer claims in full; and
- 4) in the event that funds are not exhausted by summer term payments, claims received after the designated deadline dates will be paid or prorated.
- 5) If funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid for recipients who do not qualify for chargebacks, or prorated if funds remaining are insufficient to pay all such claims grants in full.

f)† Payments on behalf of a recipient will be made to only one institution per term. For any institution that has a concurrent registration opportunity, the same payment policy will be in effect as that used in the Monetary Award Program. (See: 23 Ill. Adm. Code 2735.40(h).)

g)† Institutions are required to reconcile payments received through this program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENT(S)

- 1) Heading of the Part: Illinois Special Education Teacher Tuition Waiver (SETTW) Program
- 2) Code Citation: 23 Ill. Adm. Code 2765
- 3) Section Numbers:
2765.10 Proposed Action:
Amendment
2765.20 Amendment
2765.30 Amendment
2765.40 Amendment
- 4) Statutory Authority: Implementing Section 65.15 and authorized by Sections 20(f) and 65.15(a)(2) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.15].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

Section 2765.20(a) has been revised in response to a formatting suggestion made by JCAR staff. Section 2765.30(j)(4) has been added to codify the educational purpose statement contained in the Teaching Agreement/Promissory Note. Language has been added to Section 2765.30(m) to clarify that a recipient must remain enrolled on a continuous basis during the regular school year for four years unless granted a leave of absence. Also, "armed services" has been replaced with the more accurate term "armed forces" throughout this Part, in order to make it more consistent with terminology used throughout ISAC's rules. And finally, Section 2765.30(r) has been added to reflect the statutory requirement that a recipient must register in a teacher education program within 10 days after the commencement of a term for which benefits are received.

- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No.

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10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartinez@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None.

B) Reporting, bookkeeping or other procedures required for compliance: None.

C) Type of professional skills necessary for compliance: None.

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2765

ILLINOIS SPECIAL EDUCATION TEACHER TUITION WAIVER (SETTW) PROGRAM

Section	
2765.10	Summary and Purpose
2765.20	Applicant Eligibility
2765.30	Program Procedures
2765.40	Institutional Procedures

AUTHORITY: Implementing Section 65.15 and authorized by Sections 20(f) and 65.15(a)(2) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.15].

SOURCE: Adopted at 19 Ill. Reg. 8354, effective July 1, 1995; amended at 20 Ill. Reg. 9194, effective July 1, 1996; old Part repealed and new Part adopted at 21 Ill. Reg. 11129, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2765.10 Summary and Purpose

- a) The Illinois Special Education Teacher Tuition Waiver (SETTW) Program encourages current teachers and academically talented students to pursue careers as Illinois public, private or parochial elementary and secondary school teachers in any area of Special Education.
- b) This Part establishes the rules which govern the Illinois SETTWSpecial-Education-Teacher-Tuition-Waiver program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2765.20 Applicant Eligibility

a) A qualified applicant shall be:

- 1) be a United States citizen or an eligible noncitizen;
- 2) be a resident of Illinois;
- 3) be a graduate of an Illinois approved high school (or a student scheduled to graduate from an Illinois high school by the end of the school term in which the award is made) who ranks in the upper half of his or her high school graduating class; or be a person holding a valid teaching certificate that is not in the discipline of Special Education;
- 4) be enrolled, or accepted for enrollment, as an undergraduate or

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graduate student seeking initial certification in any area of Special Education;

- 5) attending, or planning ~~attend~~^{attend}, or plan to attend, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University (Carbondale), Southern Illinois University (Edwardsville), University of Illinois (Chicago), University of Illinois (Springfield), University of Illinois (Urbana) or Western Illinois University; and
- 6) a potential new recipient in that s/he shall have not ~~not~~^{not} have received the Illinois Special Education Teacher Tuition Waiver in the past.

- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship (23 Ill. Adm. Code 2763) or the DeBolt Teacher Shortage Scholarship (23 Ill. Adm. Code 2764), s/he shall not be eligible for an Illinois Special Education Teacher Tuition Waiver.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2765.30 Program Procedures

- a) A completed ISAC application for the Illinois ~~SETTW~~^{SETTW} Program ~~Special Education-Teacher-Tuition-Waiver~~ must be received in ISAC's Deerfield office on or before the February 15 immediately preceding the academic year for which the tuition waiver is being requested, in order to receive priority consideration for an award.
- b) ISAC applications for the Illinois ~~SETTW~~^{SETTW} ~~Special--Education--Teacher Tuition--Waiver~~ Program are available from eligible institutions; the offices of Regional Superintendents of Education in Illinois; State legislative and federal Congressional offices; and ISAC's Springfield, Deerfield and Chicago offices.
- c) If the student section of an application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) On or before March 1 of each year, ISAC, on behalf of principals of public, private and parochial high schools in Illinois, will provide the Regional Superintendents of each county with a roster of the names of all students in their county who are anticipated to be qualified applicants.
- e) On or before May 15 of each year, the Regional Superintendents shall certify the eligibility of qualified applicants on a roster that shall be returned to ISAC.

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- f) ISAC shall award 250 Illinois Special Education Teacher Tuition Waivers annually as follows:

- 1) A maximum of 40 tuition waivers may be awarded annually to qualified applicants who hold valid teaching certificates that are not in the discipline of Special Education. If more than 40 applicants qualify under these provisions, a lottery shall be used to select 40 recipients;
- 2) A minimum of 210 tuition waivers shall be awarded annually to high school graduates (or students scheduled to graduate) who rank in the upper half of their class. Any of the 40 tuition waivers not awarded pursuant to subsection (f)(1) of this Section shall be awarded to this group;
- 3) ISAC shall select recipients, who do not hold valid teaching certificates, from among qualified applicants based on the highest ACT or SAT I test scores as converted according to the Illinois Standard Test Score table (see 23 Ill. Adm. Code 2760.30(b)(1) and (2)).
- 4) A lottery will be used to determine recipients if the number of qualified applicants sharing the same Illinois Standard Test Score exceeds the number of tuition waivers to be awarded.
- g) Notice of eligibility will be sent by July 1 to each qualified applicant who is selected to receive a tuition waiver. The qualified applicant is then responsible for providing a copy of the notice of eligibility to the institution. All other qualified applicants will be notified that they were not selected.
- h) Tuition waivers are applicable towards credit for any semester/quarter within an academic year.
- i) A recipient shall be exempt from paying tuition and matriculation, graduation, activity, term or incidental fees for up to four calendar years.
- j) Prior to receiving assistance, the qualified applicant must sign a Teaching Agreement/Promissory Note, which must be submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
 - 1) ~~a--pledge--on--the--part--of~~ the recipient pledges to teach, on a full-time basis, in the field of Special Education, for two of the five years immediately following graduation or termination of enrollment, in any recognized public, private or parochial school in Illinois;
 - 2) ~~a--stipulation--that,~~ if the teaching requirement is not fulfilled, the tuition waiver converts to a loan and the recipient must repay the entire amount of the ~~tuition waiver~~^{tuition waiver} ~~Tuition--Waiver~~ (prorated according to the fraction of the teaching obligation not completed), plus interest at a rate equal to 5% per annum; and
 - 3) ~~a--further--stipulation--that~~ the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).

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k) The five-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:

- 1) serves, for not more than four years, as a member of the United States armed forces services; or
- 2) is enrolled full-time in an academic program leading to a graduate or postgraduate degree.

l) A recipient may be granted a leave of absence by the president of the institution, or his/her ~~her--or--his~~ designee, for the following reasons:

- 1) earning funds to defray the recipient's educational expenses;
- 2) illness of the recipient or a member of the recipient's immediate family, as established by the sworn statement of a licensed physician; or
- 3) military service.

m) A recipient must complete his or her course of study within six years including leave(s) of absence. A recipient must remain enrolled on a continuous basis during the regular school year for four years, unless granted a leave of absence. However, a leave of absence granted for military service shall not be considered part of the six years within which a recipient must complete a degree.

n) A recipient shall enter repayment status on the earliest of the following dates:

- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to initial certification as a teacher in Special Education, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
- 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
- 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within five years after completing the postsecondary education for which the waiver was awarded.

o) If a recipient is required to repay any portion of the tuition waiver, the repayment period shall be completed within five years after the tuition waiver converts to a loan. The five-year period may be extended if the recipient:

- 1) serves, for not more than four years, as a member of the United States armed forces services;
- 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
- 3) is pursuing a graduate or postgraduate degree and is enrolled on a full-time basis;
- 4) is actively seeking and unable to find, for not more than two years, full-time employment as a Special Education teacher; or
- 5) withdraws from a course of study leading to a teacher certification in Special Education but remains enrolled on a full-time basis in another academic discipline.

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p) During the time a recipient qualifies for any of the extensions listed in subsection (o) of this Section, s/he shall not be required to make payments and interest shall not continue to accrue.

q) A recipient shall not be required to pay the amount of the tuition and fees waived if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see e.g., 34 CFR 653.42(k)(1)); or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

r) A recipient must be enrolled in a special education program within ten days after the beginning of the term for which the tuition waiver was initially awarded. If the recipient fails to comply with this requirement, s/he will forfeit the tuition waiver and ISAC will award it to another qualified applicant.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2765.40 Institutional Procedures

a) When a recipient graduates, withdraws, or otherwise ceases to be enrolled in a Special Education program, the institution shall certify to ISAC the total amount of tuition and fees that have been waived on behalf of the recipient.

b) If a qualified applicant is eligible for both a tuition waiver and grant assistance under the Monetary Award Program (MAP) (23 Ill. Adm. Code 2735), the tuition waiver must be used first.

c) ISAC shall be notified by the institution of a recipient's leave of absence.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Illinois Veteran Grant (IVG) Program

2) Code Citation: 23 Ill. Adm. Code 2733

3) Section Numbers: Proposed Action:
2733.10 Amendment
2733.20 Amendment
2733.30 Amendment
2733.40 Amendment

4) Statutory Authority: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

In Section 2733.20, Applicant Eligibility, the language describing the conditions of discharge has been modified to be more consistent with terminology currently in use in the Department of Defense's Certificate of Release or Discharge From Active Duty (Form DD214). The new terminology makes more clear that in order to receive benefits under the IVG program, a veteran's service must be characterized as honorable. A general discharge "under honorable conditions" is not the same as an honorable discharge, and does not entitle the recipient to the same benefits. This clarification makes the eligibility criteria for IVG benefits consistent with the eligibility requirements for federal veterans' educational benefits. In Section 2733.20(a)(2), language describing the Illinois residency requirements for IVG eligibility has been clarified. No substantive change has been made to these requirements. Similarly, Section 2733.20(h) has been added to specify that attendance at a service academy does not constitute active duty and, therefore, does not make an applicant eligible for this grant. And finally, in Section 2733.30(g)(1) and again in Section 2733.40(d), language has been added to clarify that institutions must report to ISAC any noncredit courses for which benefits are used, so that we may accurately track the use of eligibility units.

6) Will these proposed amendments replace an emergency rule currently in effect? No

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporation affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2733

ILLINOIS VETERAN GRANT (IVG) PROGRAM

Section	Summary and Purpose
2733.10	Applicant Eligibility
2733.20	Program Procedures
2733.30	Institutional Procedures
2733.40	

AUTHORITY: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

SOURCE: Emergency rule adopted at 10 Ill. Reg. 14322, effective August 20, 1986 for a maximum of 150 days; emergency expired January 16, 1987; adopted at 11 Ill. Reg. 3207, effective January 29, 1987; amended at 12 Ill. Reg. 11536, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1733 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2733 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17858; amended at 14 Ill. Reg. 10571, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 15613, effective October 11, 1991, for a maximum of 150 days; emergency expired March 9, 1992; emergency amendment at 15 Ill. Reg. 18778, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 6880, effective April 14, 1992; amended at 16 Ill. Reg. 11261, effective July 1, 1992; amended at 17 Ill. Reg. 10570, effective July 1, 1993; amended at 18 Ill. Reg. 10309, effective July 1, 1994; amended at 20 Ill. Reg. 9200, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11139, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2733.10 Summary and Purpose

- a) As described in this Part, eligible ~~Eligible~~ Illinois Veteran Grant (IVG) ~~IVG~~ recipients are entitled to be exempt from paying tuition and certain fees at public postsecondary institutions ~~as described in this Part~~. If appropriated Illinois Student Assistance Commission (ISAC) funds are insufficient to reimburse ~~educational~~ institutions for all eligible recipients, the obligation to pay is transferred to the ~~educational~~ institution.
- b) This Part establishes rules which govern the IVG ~~Illinois~~-~~Veteran Grant~~ ~~(IVG)~~ Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 2733.20 Applicant Eligibility

- a) A qualified applicant shall be any member of the Armed Forces of the United States who has served at least one year of active duty and whose discharge ~~has been honorably discharged~~ from such service ~~has been characterized as honorable~~ provided s/he:
- 1) was a:
 - A) resident of Illinois at the time of entering service and after leaving the service returned to Illinois within 6 months; or
 - B) student at an Illinois public university or community college at the time of entering the service; and
 - 2) established or plans to establish ~~returned-for-pins--to--return~~ to Illinois residency within 6 months after leaving the Armed Forces, or if married to a person in continued military service:
 - A) applied for this grant within 6 months after and including the date the spouse was stationed within Illinois; or
 - B) established ~~returned--to~~ Illinois residency within 6 months after and including the date that the spouse was discharged (if the spouse was stationed outside Illinois).

- b) A recipient must reside in Illinois unless the recipient is a member of the Armed Forces at the time of enrollment.
- c) Any member of the Armed Forces of the United States who has served at least one year of active duty and who meets the Illinois residency requirements of this Section (i.e., subsections (a) and (b)), above, is a qualified applicant if his/her discharge ~~honorably-discharged~~ from such service was characterized as honorable. Upon discharge from the Armed Forces, the veteran shall be subject to verification of continued eligibility for assistance under this Part.
- d) A recipient must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- e) An individual is not a qualified applicant if the individual's discharge ~~individual--was--discharged~~ from the Armed Forces of the United States was characterized as other ~~under--less~~ than honorable conditions.

- f) An individual is not a qualified applicant if the individual's active duty with the Armed Forces was for less than one year unless:

- 1) the veteran's discharge ~~veteran--was--honorably--discharged~~ from such service for medical reasons directly connected with such service was characterized as honorable; or
- 2) the veteran's discharge ~~veteran--was--honorably--discharged~~ prior to August 11, 1967 was characterized as honorable; or
- 3) the veteran's discharge ~~veteran--was--honorably--discharged~~ from such service, part of which included deployment to the Persian Gulf during the Persian Gulf War or duty in Somalia during military operations to aid that country, was characterized as

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honorable.

- g) Members of the Reserve Officer Training Corps (ROTC) and a state's National Guard are not eligible for assistance under this Part.
- h) Applicants are not eligible if their only service has been attendance at a service academy.
- i) In order to establish eligibility for this grant, an individual shall submit to ISAC an application and documentation of all periods of service to ISAC.

- 1) An applicant should submit a copy of his or her Certificate of Release or Discharge From Active Duty Report-of-Separation (Form DD 214), which can be obtained from the National Personnel Records Center or the Illinois Department of Veterans' Affairs.
- 2) If the applicant does not have a copy of the DD 214, s/he should submit documentation which provides the following information: date of entry, date of separation, type of discharge, total active service, home or place of entry into the service, and home or place of separation from the service. Such documentation must have been issued by the United States Department of Defense (DD) or the Veterans' Administration.
- 3) If the applicant is a member of the Armed Forces at the time of application, s/he shall submit a copy of the original and/or current Enlistment Contract (Form DD4/194/3) and a letter from the commanding officer. If the veteran is in an initial enlistment, a copy of the original contract must be provided. If the veteran is on an enlistment extension, a copy of the current contract must be provided with the application as well as copies of all extension contracts. The letter from the commanding officer must indicate that the applicant is a member of the Armed Forces at the time of application, must include the veteran's home of record at the time of original enlistment, and must state the veteran's length of time in service and the expiration date of the current enlistment.
- 4) The definition of "Resident of Illinois" contained in 23 Ill. Adm. Code 2700.20 is applicable to the Illinois Veteran Grant Program although residency, for the purposes of this program, can be established in six months. If the applicant's DD 214 does not indicate Illinois residency when entering and/or separating from the Armed Forces, s/he may verify residency by providing one or more of the documents listed below:
 - A) Illinois driver's license issued during the relevant six month period;
 - B) Illinois high school or college transcripts demonstrating attendance during the relevant six month period;
 - C) Utility bills/rent receipts in the applicant's name for the relevant six month period;
 - D) Illinois motor vehicle registration issued during the relevant six month period;
 - E) Residential lease in the applicant's name for the relevant

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- six month period;
- F) Statement of benefits history from the Illinois Department of Public Aid for the relevant six month period;
- G) Statement of benefits from the Illinois Department of Employment Security for the relevant six month period;
- H) State of Illinois identification card issued during the relevant six month period; or
- I) Letter of employment verified by certification in accordance with Illinois law (see 735 ILCS 5/1-109) and printed on company letterhead.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2733.30 Program Procedures

- a) An applicant must apply to ISAC for assistance under this Part. ISAC will issue a Notice of Eligibility to each qualified applicant.
- b) To receive an Illinois Veteran Grant, a qualified applicant must notify the institution of his or her eligibility within three months following the last scheduled day of classes for the term for which a grant is requested.
- c) Benefits are applicable to both undergraduate and graduate enrollment. There are no minimum credit hour enrollment requirements and benefits are applicable for noncredit courses.
- d) Benefits may be used to enroll at Illinois public universities and Illinois public community colleges.
- e) Fees exempted by the IVG:
 - 1) The recipient is exempt from paying most fees, including:
 - A) tuition and other instructional fees;
 - B) activity, air flight instructor and athletic fees;
 - C) matriculation, service and other registration-type fees;
 - D) off-campus and other extension course fees;
 - E) application fees;
 - F) graduation and transcript fees;
 - G) proficiency exam, College Level Exam Program (CLEP), placement exam and similar fees; and
 - H) health insurance fees.
 - 2) The recipient is responsible for payment of the following fees:
 - A) book rental fees;
 - B) laboratory and supply fees;
 - C) student union fees; and
 - D) fees for the operation, maintenance or rental of any building, facility or equipment.
- f) Recipients attending out-of-district community colleges receive tuition and fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-district and out-of-district tuition.

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g) Benefits are limited to the equivalent of four academic years of full-time enrollment, which is measured in eligibility units. Recipients may accumulate up to 120 eligibility units.

- 1) To determine the amount of eligibility a recipient has used, credit hours (and noncredit hours for which benefits are used) will be converted to eligibility units according to the following table:

Number of Hours	Semester Term	Quarter Term
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
up to 2.99 hours	1 unit	1 unit

- 2) Full program benefits may be extended for one additional term if the recipient has accumulated fewer than 120 eligibility units but does not have enough units remaining for the number of hours in which s/he is enrolled for the term.

- 3) In the event that a recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion with the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund policy. The recipient would use six eligibility units and would receive \$300 in benefits.

- 4) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course having the same number of faculty contact hours.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2733.40 Institutional Procedures

- a) If a student is eligible for both an IVG and a Monetary Award Program (MAP) grant MAP, the IVG benefits must be used first. A student cannot decline IVG benefits in favor of using MAP.
- b) A notice of eligibility from ISAC or an Illinois Veteran's Scholarship (IVS) ID card from the Illinois Department of Veterans' Affairs may be used by the institution to establish a qualified applicant's initial eligibility.
- c) Institutions shall submit a payment request to ISAC. When submitting

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payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2733.20, Applicant Eligibility.

- d) Institutions must report all hours for which payment was requested, including credit and noncredit courses.

e) The deadlines for submission of complete payment requests shall be September 15 for summer terms; January 15 for first term; and May 25 for second semester/second and third quarter. All claims, including supplemental claims, must be submitted no later than August 1. This will provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield prior to the State's fiscal year lapse period ending on August 31.

f) The reimbursement to institutions for Illinois Veteran Grants is contingent upon available funding. Should General Assembly appropriations be insufficient to pay all claims, institutions will be reimbursed in accordance with this subsection:

- 1) summer term claims received by the deadline date designated in subsection (d) will be paid, or prorated if funding is insufficient to pay all claims in full;
- 2) if funds remain after summer term claims are paid, first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full;
- 3) if funds remain after first semester and first quarter claims are paid, then second semester/second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full;
- 4) if funds remain after second semester/second and third quarter claims are paid, claims received by ISAC after the designated deadline dates will be paid or prorated; and
- 5) if funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid for recipients who do not qualify for chargebacks, or prorated if funds remaining are insufficient to pay all such claims in full.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Limitation, Suspension And Termination (L,S&T) Proceedings

2) Code Citation: 23 Ill. Adm. Code 2790

3) Section Numbers: Proposed Action:

2790.10 Amendment
2790.20 Amendment
2790.30 Amendment
2790.40 Amendment
2790.50 Amendment
2790.60 Amendment
2790.130 Amendment
2790.140 Amendment

4) Statutory Authority: Implementing and authorized by the Higher Education Student Assistance Act [110 ILCS 947/20(f)] and the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.).

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. Since this agency is simply making minor technical and grammatical changes, ISAC is proposing no substantive amendments to this Part.

6) Will these proposed amendments replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the

ILLINOIS STUDENT ASSISTANCE COMMISSION

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publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small business, small municipalities and not for profit corporations affected: None.

B) Reporting, bookkeeping or other procedures required for compliance: None.

C) Types of professional skills necessary for compliance: None.

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2790

LIMITATION, SUSPENSION AND TERMINATION (L,S&T) PROCEEDINGS

Section	Summary and Purpose
2790.10	Definitions
2790.20	Informal Compliance Procedures and Pre-Hearing Conferences
2790.30	Emergency Action
2790.40	Suspension Proceedings
2790.50	Limitation or Termination Proceeding
2790.60	Decisions
2790.70	Verification of Mailing and Receipt Dates
2790.80	Limitation
2790.90	Termination
2790.100	Payment Period
2790.110	Reimbursements, Refunds, Offsets and Penalties
2790.120	Reinstatement After Termination
2790.130	Hearings
2790.140	Matrix (Repealed)

APPENDIX A

AUTHORITY: Implementing and authorized by the Higher Education Student Assistance Act [110 ILCS 947] and the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.).

SOURCE: Adopted at 6 Ill. Reg. 11638, effective September 13, 1982; codified at 7 Ill. Reg. 9926; amended at 9 Ill. Reg. 20836, effective January 1, 1986; amended at 11 Ill. Reg. 3214, effective January 29, 1987; transferred from Chapter IX, 23 Ill. Adm. Code 1790 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2790 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17861; amended at 15 Ill. Reg. 14264, effective September 23, 1991; amended at 16 Ill. Reg. 11269, effective July 1, 1992; amended at 20 Ill. Reg. 9206, effective July 1, 1996; amended at 21 Ill. Reg. 11148, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2790.10 Summary and Purpose

- a) This Part establishes rules for the limitation, suspension or termination of an otherwise eligible institution or applicant participating in any or all of the student assistance programs administered by the Illinois Student Assistance Commission (ISAC). These rules apply to an applicant who and an institution which violates the provisions of the statutes, rules, regulations, special arrangements, agreements or limitations set forth in Lender Agreements

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or Program Participation Agreements and the Higher Education Act of 1965, as amended (20 USC 1070 et seq.), including but not limited to: the provisions dealing with the Guaranteed Student Loan Programs (20 USC 1071); Need Analysis (20 USC 1087kk); General Provisions Relating to Student Assistance Programs (20 USC 1089); Teacher Scholarships and Fellowships (20 USC 1111); and the regulations of the U.S. Secretary of Education relating to student assistance programs, under the Higher Education Act of 1965, as amended, including but not limited to: Institutional Eligibility (34 CFR 600); Paul Douglas Teacher Scholarship Program (34 CFR 653); Student Assistance General Provisions (34 CFR 668); Guaranteed Student Loan and PLUS Programs (34 CFR 682); and the State Student Incentive Grant Program (34 CFR 692).

- b) This Part establishes rules which govern the limitation, suspension or termination proceedings. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.
- c) The purpose of this Part is to protect the integrity of the programs and to guard against losses on behalf of the applicant, the lender, the school, ISAC or the Federal Government.

- d) ISAC's failure to invoke the provisions contained in this Part does not, however, automatically imply compliance or lessen an applicant's or an institution's obligation to follow federal or State rules and regulations governing scholarships, grants, and loan programs. Any action taken under this Part will not affect an applicant's or an institution's responsibility to fulfill the requirements of the Higher Education Act, federal regulations or ISAC rules, published policies and procedures applicable to outstanding scholarships, grants and loan programs. Further, any action taken under this Part will not affect an applicant's or an institution's rights, if any, to benefits or payments that are based on prior participation in the programs.

- e) This Part does not apply to:

- 1) a determination that an institution fails to meet the definition of an institution of higher education, a proprietary institution of higher education, a postsecondary vocational institution, as defined in Section 481 of the Higher Education Act of 1965, as amended (20 USC 1085(c)), or an eligible lender, as defined in Section 435(d) of the Higher Education Act of 1965, as amended (20 USC 1085(d));
- 2) a determination of a school's loss of eligibility by the U.S. Secretary of Education due to its default experience (see Section 435(a)(2) of the Higher Education Act of 1965, as amended);
- 3) any administrative action taken by the U.S. Department of Education (ED) against a lender (34 CFR 682.700 - 682.713), an educational institution (34 CFR 668.81 - 668.98) or an individual (34 CFR 85.300 - 85.420);
- 4) any administrative action taken by the Illinois Department of Professional Regulation, the Illinois State Board of Education or the Illinois Board of Higher Education terminating, suspending or

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limiting an educational institution's authority to offer educational programs within the State of Illinois; or

5) any administrative action taken by a nationally-recognized accreditation association (see Section 496 of the Higher Education Act of 1965, as amended) terminating, suspending or limiting an educational institution's accreditation status.

In any such case, ISAC shall terminate the participation of the institution by sending notice of such termination, certified mail return receipt requested (see Section 2790.80).

- f) ISAC recognizes ~~ED's the U-S-Department-of-Education's~~ corresponding federal regulations, namely Limitation, Suspension or Termination of Lender Eligibility Under the Guaranteed Student Loan Program and the PLUS Program (34 CFR 682.700 - 682.713), Fine, Limitation, Suspension and Termination Proceedings as applied to educational institutions (34 CFR 668.81 - 668.98), and Debarment and Suspension proceedings as applied to persons (34 CFR 85.300 - 85.420).

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2790.20 Definitions

"Action" - An administrative proceeding conducted under this Part.

"Administrative Error" - Conduct resulting in the loss of a loan guarantee, creating a financial liability, or resulting in a refund due ISAC or ~~ED the U-S-Department-of-Education~~, including but not limited to: overbilling interest, failing to cancel loans on a timely basis, failing to make timely refunds, overbilling of interest subsidy and special allowance, due diligence violations in making, disbursing, and servicing loans or conduct resulting in obtaining scholarship and/or grant funds for which the institution or applicant is not entitled.

"Admonishment" - A written reprimand which warns the institution or applicant that a repeat of the same offense will be subject to a penalty of greater severity. Admonishments shall be a matter of public record and may be imposed in lieu of a more severe sanction.

"Funds" - Any money, commitments to provide money, and commitments of insurance or reinsurance provided under any or all programs.

"Hearing Officer" - An impartial person, appointed by the Executive Director ~~of--ISAC~~, or his or her ~~the-Executive-Director's~~ designee, with no prior involvement with the facts giving rise to the limitation, suspension or termination action, who is ~~either~~:

an attorney who has been admitted to practice law in Illinois for

ILLINOIS STUDENT ASSISTANCE COMMISSION

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at least five years preceding appointment by the Executive Director and possesses those additional qualifications as are necessary to obtain appointment as an arbitrator pursuant to Section 2-1003A of the Mandatory Arbitration System in Illinois [735 ILCS 5/2-1003A]; or

a person who is an arbitrator qualified by the American Arbitration Association; or

any other person who meets the qualifications for the position of Administrative Law Judge for the Federal Government.

"Institution" - For purposes of this Part, any educational or lending institution which participates in any ISAC program(s).

"ISAC Official" - Any official of ISAC to whom the Executive Director has delegated the responsibility of initiating and pursuing an action under this Part.

"Lender" - Defined by Section 435(d) of the Higher Education Act of 1965, as amended (20 USCA 1085(d)).

"Limitation" - The continuation of an applicant's or an institution's eligibility for any or all programs subject to compliance with special conditions or restrictions which have been established by ISAC as necessary for the institutions initial or continued participation in ISAC programs.

"School" - An institution eligible to participate in the programs established by the Higher Education Act of 1965, as amended, including an institution of higher education (as defined in 34 CFR 600.4), a proprietary institution of higher education (as defined in 34 CFR 600.5), and a postsecondary vocational institution (as defined in 34 CFR 600.6).

"Suspension" - The removal of an applicant's or an institution's eligibility for any or all ISAC programs for a specified period of time or until the problem that initiated the limitation, suspension or termination proceeding(s) is resolved.

"Termination" - The unqualified removal of an applicant's or an institution's eligibility for any or all programs for an indefinite period of time, but in no event less than 18 months.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2790.30 Informal Compliance Procedures and Pre-Hearing Conferences

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- a) If the Executive Director receives a complaint or other information which s/he ~~the Executive Director~~ believes to be reliable, indicating that an applicant or an institution is, or may be, in violation of applicable laws, regulations, special arrangements, agreements, rules, or limitations, the Executive Director may call the matter to the attention of the applicant or the institution and may provide a reasonable opportunity to:
- 1) respond to the complaint or other information;
 - 2) show that the matter has been corrected; or
 - 3) submit an acceptable plan to correct the violation and prevent its recurrence.

- b) The procedures provided in this Part for limitation, suspension, termination or termination need not be delayed during the informal compliance procedure if the Executive Director believes the:
- 1) delay would have an adverse effect on any or all programs administered by ISAC; or
 - 2) informal compliance procedure will not result in a correction of the alleged violation.

- c) The purpose of a pre-hearing conference is to allow the parties to settle or narrow the dispute.
- 1) The pre-hearing conference may be convened at the request of ISAC, the affected applicant or institution or the hearing officer.
 - 2) The scope of a pre-hearing conference is to discuss matters relating to the proposed action, including settlement without a hearing, or the narrowing of legal or factual issues to be resolved at the hearing.
 - 3) The pre-hearing conference is not subject to any procedural requirements except as may be mutually agreed upon by ISAC, the applicant and/or the institution.

- 4) The pre-hearing conference may be held in any manner, including telephone conference call, an informal meeting or written submission of materials from the applicant or the institution to the ISAC official.
- 5) As a result of the pre-hearing conference, the ISAC official and the applicant or the institution may enter into a prehearing agreement whereby both the ISAC official and the applicant or the institution stipulate in writing, signed by the parties, to certain facts, points of law, regulations, or policies and procedures.

- 6) The Executive Director and the applicant or the institution may enter into a written consent agreement which fully or partially settles the dispute between the parties. The consent agreement may specify that any pending hearing shall be canceled.
- 7) A violation of any of the provisions of the consent agreement shall constitute the basis for a termination action against an applicant or an institution.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2790.40 Emergency Action

- a) The Executive Director may take emergency action to withhold funds from an applicant or an institution or its associated students, and to withdraw the authority of an applicant or an institution to participate in ISAC-administered programs if the Executive Director:
 - 1) receives information which he believes to be reliable that an applicant or an institution is in violation of applicable laws, regulations, rules, special arrangements, agreements or limitations which had been previously established;
 - 2) determines that such action is necessary to prevent the likelihood of substantial loss of funds to the State, to ISAC, to ED ~~the U-S-Department-Education~~, to borrowers or to the students associated with the institution; and
 - 3) determines that the likelihood of loss requires immediate action prior to completion of the procedures set forth in this Part for limitation, suspension or termination.
- b) The Executive Director begins an emergency action by notifying the applicant or institution, by certified mail with return receipt requested, of the action and the basis for the action. The effective date of the action is the date on which the notice is received by the applicant or the institution. The notice shall state:
 - 1) the basis of the emergency action;
 - 2) the consequences of the emergency action to the applicant or the institution;
 - 3) that the applicant or the institution may request an opportunity to show cause why the emergency action is unwarranted; and
 - 4) that the failure to request an opportunity to show cause why the emergency action is unwarranted, at least five 5 days after and including the effective date, is a waiver of that right.
- c) An emergency action shall not exceed 30 days unless a limitation, suspension or termination proceeding is begun under this Part before the expiration of that period. In such case, the period may be extended until the completion of that proceeding, including any appeal to the Commission.
- d) An emergency action may be terminated upon the Executive Director's verification that the applicant or the institution has corrected all violations on which the emergency action was based. Verification includes, but is not limited to, submitting documentation showing that the violation(s) has been corrected or submitting an acceptable plan for correcting the violation(s) and preventing a recurrence(s).

(Source: Amended at 22 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

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Section 2790.50 Suspension Proceedings

- a) Scope and Consequences: From its effective date, a suspension removes an applicant's or an institution's eligibility for any or all ISAC programs for a period of time not exceeding 60 days unless the:
- 1) applicant or the institution and the Executive Director agree to an extension; or
 - 2) Executive Director begins a limitation or termination proceeding.
- b) Procedures: The Executive Director begins a suspension proceeding by sending a notice to an applicant or an institution by certified mail with return receipt requested. The notice must:
- 1) inform the applicant or the institution of the intent of ISAC to suspend the applicant's or the institution's eligibility, cite the consequences of that action and identify the alleged violations which constitute the basis for the action;
 - 2) specify the proposed effective date of the suspension, which shall be at least 20 days after the date of mailing of notice of intent;
 - 3) inform the applicant or the institution that the suspension will be effective on the date specified in the notice unless the Executive Director receives, at least five 5 days before the proposed effective date, a request for a hearing or written material indicating why the suspension should not take place;
 - 4) invite voluntary efforts to correct the violation(s) which led to the commencement of the action; and
 - 5) inform the applicant or the institution that the failure to request a hearing will be deemed a waiver of that right.
- c) If the applicant or the institution does not request a hearing but submits written material, the Executive Director, after considering that material, notifies the applicant or the institution that the:
- 1) proposed suspension is dismissed; or
 - 2) suspension is effective as of a specified date.
- d) Notice of Suspension will be promptly mailed to the applicant or the institution. The suspension takes effect either upon the date on which the notice is received by the applicant or the institution or the originally proposed effective date stated in the notice of intent, whichever is later.
- e) A suspension shall not exceed 60 days unless a limitation or termination proceeding is begun under this Section before the expiration of that period. In such case, the period may be extended until the completion of that proceeding, including any appeal to the Commission. (See Section 2790.70, Recommended and Final Decisions.)
- f) If the applicant or the institution requests a hearing at least five 5 days before the proposed effective date, the procedures outlined in Section 2790.140, Hearings, shall be followed.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

Section 2790.60 Limitation or Termination Proceeding

- a) Scope and Consequences: From its effective date, a limitation or termination shall either:
- 1) result in limitations on an applicant's or an institution's eligibility; or
 - 2) end the eligibility of an applicant or an institution for any or all programs administered by ISAC.
- b) Procedures: The Executive Director begins a limitation or termination proceeding, whether or not a suspension proceeding or an emergency action has begun, by sending an applicant or an institution a notice, by certified mail with return receipt requested. This notice must:
- 1) inform the applicant or the institution of the intent of ISAC to limit or terminate the applicant's or the institution's eligibility, cite the consequences of that action and identify the alleged violations which constitute the basis for the action, and in the case of a limitation proceeding, state the limits to be imposed;
 - 2) specify the proposed effective date of the limitation or termination which shall be at least 20 days after the date of mailing of the notice of intent;
 - 3) inform the applicant or institution that the limitation or termination will not be effective on the date specified in the notice if the Executive Director receives, at least five 5 days before the proposed effective date, a request for a hearing or written material indicating why the limitation or termination should not take place;
 - 4) invite voluntary efforts to correct the violation(s) which led to the initiation of the action; and
 - 5) inform the applicant or the institution that the failure to request a hearing will be deemed a waiver of that right.
- c) If the applicant or the institution does not request a hearing but submits written material, the Executive Director, after considering that material, notifies the applicant or the institution that the:
- 1) proposed action is dismissed; or
 - 2) limitations are effective as of a specified date; or
 - 3) termination is effective as of a specified date.
- d) If the applicant or the institution requests a hearing, at least five 5 days before the proposed effective date, the procedures outlined in Section 2790.140, Hearings, shall be followed.
- e) If the applicant or the institution wishes to appeal the decision of the hearing officer, the procedures outlined in Section 2790.70, Recommended and Final Decisions, shall be followed.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2790.130 Reinstatement After Termination

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- a) An applicant or an institution whose eligibility has been terminated may not file a request for reinstatement until 18 months after the effective date of termination.
- b) After the minimum termination period, the applicant or the institution may request Commission reinstatement of its eligibility. The request must be in writing and must show that the applicant or the institution has corrected the violations on which the termination was based; has paid in full all liabilities, reimbursements and refunds; and meets all qualifications for eligibility.
- c) Within 90 ninety days after receipt of the request for reinstatement, the Commission shall respond to the applicant or the institution by:
 - 1) granting its request;
 - 2) denying its request;
 - 3) granting the request subject to other limitations; or
 - 4) conducting a program review to determine that all violations have been corrected, in accordance with Section 2700.60, Audits and Investigations.
- d) If the Commission denies the request or establishes limitations, the applicant or the institution, upon request, will be granted an opportunity to show cause why eligibility should be fully reinstated.
- e) The applicant's or the institution's request for a show cause meeting shall not waive the right to participate in any or all programs administered by the Commission if it complies with such continuing limitations pending the outcome of the meeting.
- f) A school that is also a lender and whose eligibility as a participating school has been terminated, may not be considered for reinstatement as a lender until it is reinstated as an eligible school.
- g) If a request for reinstatement is denied, the applicant or the institution may request reinstatement 18 months after the most recent request, unless the Commission agrees to consider an earlier request.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2790.140 Hearings

- a) If the applicant or the institution requests a hearing at least five 5 days before the proposed effective date of a suspension, limitation or termination, the Executive Director sets the date and place for the hearing. The date will be at least 15 days after the Executive Director receives the request.
- b) A hearing officer appointed by the Executive Director or his or her the Executive Director's designee, conducts the hearing on the record.
- c) The hearing officer shall regulate the course of the proceeding, direct the conduct of the parties during the hearing, provide for the orderly presentation of arguments and evidence, and take all steps

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- necessary to conduct a fair and impartial hearing.
- d) The hearing officer shall take whatever measures are appropriate to expedite the proceeding which may include, but are not limited to:
 - 1) scheduling of pre-hearing conferences;
 - 2) restricting the number or length of submissions;
 - 3) accepting stipulations as to facts and legal authorities;
 - 4) setting time limits for hearings and submission of written documents; and
 - 5) declaring any party who fails to comply with a valid order of the hearing officer to be in default, terminating the proceedings and issuing a decision against the non-complying party.
- e) At the hearing, the appointed hearing officer shall consider any written material presented before the hearing, or any material or other evidence presented during the course of the hearing. The hearing shall be conducted in accordance with Article 10 of the Administrative Procedure Act [5 ILCS 100/Art. 10].
- f) The hearing officer shall not have authority to issue subpoenas. If requested by the hearing officer, ISAC, the applicant and/or the institution shall provide persons who have knowledge about the matter under review for oral or written examination.
- g) The ISAC official has the burden of proof by a preponderance of the evidence in any suspension, limitation or termination hearing.
- h) The hearing officer shall only accept only evidence that is relevant to the proceedings and not unduly repetitious.
- i) The hearing officer shall base findings of fact only on evidence considered at the hearing and on matters given judicial notice.
- j) If, after considering the evidence, the appointed hearing officer concludes that a limitation, suspension-limitation or termination or penalty is warranted, the hearing officer will issue a decision that may limit, suspend, limit, terminate or affect the applicant's or the institution's eligibility in whole or in part.
- k) If a termination proceeding is brought against an applicant or an institution, the appointed hearing officer may, at his or her discretion, issue a decision to impose one or more limitations or penalties on an applicant or an institution rather than terminating its eligibility.
- l) Expedited Hearing: With the approval of the hearing officer and the mutual consent of the parties, any time schedule specified in this Section may be shortened.
- m) The applicant or the institution may be represented by legal counsel at a hearing, but ISAC is under no obligation to provide such counsel.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Merit Recognition Scholarship (MRS) Program
- 2) Code Citation: 23 Ill. Adm. Code 2761
- 3) Section Numbers: Proposed Action:

2761.10	Amendment
2761.20	Amendment
2761.30	Amendment
2761.40	New
- 4) Statutory Authority: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

Section 2761.20 has been revised in response to a formatting suggestion made by JCAR staff. The only substantive change in that Section is the addition of subsection (c), which contains the definition of "seventh semester". The definition was previously included in this Part, but was inadvertently omitted during the major rules re-engineering initiative which took place last year. Section 2761.40, Institutional Procedures, has been added and certain provisions previously contained in Section 2761.30, Program Procedures, have been moved to the new Section so that the format of this Part is consistent with the other Parts of ISAC's rules.

- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local

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government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2761

MERIT RECOGNITION SCHOLARSHIP (MRS) PROGRAM

Section

2761.10 Summary and Purpose

2761.20 Applicant Eligibility

2761.30 Program Procedures

2761.40 Institutional Procedures

AUTHORITY: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].

SOURCE: Adopted at 9 Ill. Reg. 10277, effective July 5, 1985; amended at 9 Ill. Reg. 20849, effective January 1, 1986; amended at 11 Ill. Reg. 3220, effective January 29, 1987; amended at 11 Ill. Reg. 14127, effective August 10, 1987; amended at 12 Ill. Reg. 11543, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1761 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2761 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17863; amended at 14 Ill. Reg. 10578, effective July 1, 1990; amended at 16 Ill. Reg. 11290, effective July 1, 1992; amended at 17 Ill. Reg. 10579, effective July 1, 1993; amended at 18 Ill. Reg. 10318, effective July 1, 1994; amended at 20 Ill. Reg. 9215, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11166, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2761.10 Summary and Purpose

- a) The Merit Recognition Scholarship (MRS) Program encourages and rewards the distinguished academic achievement of Illinois high school graduates, without regard to financial need. The scholarship is a \$1000 \$7000 award which must be used for enrollment at an approved Illinois postsecondary institution or any service academy.
- b) This Part establishes rules which govern the MRS Merit--Recognition Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2761.20 Applicant Eligibility

- a) A qualified applicant shall be:

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- 1) be a student at any approved high school located in Illinois;
 - 2) 80% complete with ~~have--completed--eighty--percent--of~~ the high school's program of instruction;
 - 3) ~~have--earned--a--7th--semester--cumulative--high--school--grade--point--average--~~ at or above the 95th percentile of his or her high school class after having earned a seventh semester cumulative high school grade point average;
 - 4) be a person of good moral character;
 - 5) be a resident of Illinois;
 - 6) be a United States citizen or permanent resident of the United States; and
 - 7) be enrolled or accepted for enrollment ~~enroll~~, on at least a half-time basis, at an institution of higher learning or service academy as an undergraduate student or cadet.
- b) A qualified applicant shall not have already received a baccalaureate degree.
- c) For the purposes of this Section, seventh semester means the period of instruction when a student has completed 80% of the approved high school's program of instruction. The seventh semester usually will be the student's next to last term.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2761.30 Program Procedures

- a) In February of every year, approved high schools in Illinois shall certify to the Illinois Student Assistance Commission (ISAC) the names of students who are qualified applicants.
 - 1) The certification of names shall be submitted on forms provided by ISAC. Certifications submitted by approved high schools shall be subject to audit by ISAC.
 - 2) ISAC shall then promptly notify those qualified applicants who are reasonably assured of receiving MRS awards ~~Merit--Recognition Scholarships~~ in accordance with annual funding levels recommended in the Governor's Budget.
- b) Qualified applicants shall be sent an a MRS Merit--Recognition Scholarship application which must be completed by the student and the postsecondary institution attended by the applicant. A complete application must be received by ISAC within one year after and including the date of high school graduation but absolutely no later than June 15th of the academic year immediately following graduation from the approved Illinois high school. Should the recipient transfer to a different institution after submission of the application, the enrollment transfer must be reported to ISAC in order to receive scholarship payments.
- c) ISAC shall disburse scholarship funds in two increments based on the terms financed by the scholarship. Scholarship funds may be used to

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half-time enrollment prior to receiving funds, the institution shall notify ISAC to prevent payment processing or, if funds have been received by the institution, the institution shall return the full amount of the funds to ISAC.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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finance expenses for a summer term.
1) The application form constitutes a request for payment of first term benefits; institutions shall submit a payment request for payment of subsequent terms.

d2) Funds shall be remitted to institutions on behalf of the recipients. When requesting payment of scholarship funds, the institution shall certify that the recipient is a U.S. citizen or eligible noncitizen; a resident of Illinois; of good moral character; accepted for enrollment on at least a half-time basis; not the recipient of a baccalaureate degree.

3) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status; if the recipient is enrolled, the institution may credit the funds to the recipient's account for expenses due and payable. The balance of the funds shall be released to the recipient.

4) If the recipient has withdrawn from enrollment or drops to less than half-time enrollment prior to receiving funds, the institution shall notify ISAC to prevent payment processing or if funds have been received by the institution, the institution shall return the full amount of the funds to ISAC.

ed) Scholarship funds are applicable to two semesters or three quarter terms and must be used for educational expenses, including, but not limited to, tuition and fees, room and board, books and supplies, required service academy uniforms, and travel and personal expenses related to the recipient's enrollment.

fe) Should the recipient withdraw from enrollment during the first term financed by the scholarship, the recipient shall return to ISAC the full amount of the award.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2761.40 Institutional Procedures

a) The application form constitutes the institution's request for payment of first term benefits. Institutions shall submit a payment request for payment of subsequent terms.

b) When requesting payment of scholarship funds, the institution shall certify that the recipient is: a U.S. citizen or eligible noncitizen; a resident of Illinois; of good moral character; accepted for enrollment on at least a half-time basis; not the recipient of a baccalaureate degree.

c) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status. If the recipient is enrolled, the institution may credit the funds to the recipient's account for expenses due and payable. The balance of the funds shall be released to the recipient.

d) If the recipient has withdrawn from enrollment or drops to less than

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1) Heading of the Part: Minority Teachers Of Illinois (WTI) Scholarship Program

2) Code Citation: 23 Ill. Adm. Code 2763

3) Section Numbers: Proposed Action:

2763.10 Amendment

2763.20 Amendment

2763.30 Amendment

2763.40 Amendment

4) Statutory Authority: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement state and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

Sections 2763.20(a) and 2763.30(h) have been revised in response to a formatting suggestion made by JCAR staff. The term "academic year" has been replaced throughout this Part by the term "regular school year" to more accurately reflect that no MTI awards are made for summer terms. Section 2763.30(h)(6) has been added to codify the educational purpose statement contained in the Teaching Agreement/Promissory Note. And finally, "armed services" has been replaced with the more accurate term "armed forces" throughout this Part, in order to make it more consistent with the terminology used throughout ISAC's rules.

6) Will these proposed amendments replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to

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establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez

Compliance Counsel

Illinois Student Assistance Commission

1755 Lake Cook Road

Deerfield, Illinois 60015

(847) 948-8500

rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2763

MINORITY TEACHERS OF ILLINOIS (MTI) SCHOLARSHIP PROGRAM

Section

2763.10 Summary and Purpose

2763.20 Applicant Eligibility

2763.30 Program Procedures

2763.40 Institutional Procedures

AUTHORITY: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15621, effective October 11, 1991, for a maximum of 150 days; emergency expired on March 9, 1992; adopted at 16 Ill. Reg. 7048, effective April 21, 1992; emergency amendments adopted at 16 Ill. Reg. 16326, effective September 28, 1992, for a maximum of 150 days; emergency expired on February 25, 1993; emergency amendment at 17 Ill. Reg. 175, effective January 1, 1993, for a maximum of 150 days; emergency expired on May 29, 1993; amended at 17 Ill. Reg. 10585, effective July 1, 1993; amended at 18 Ill. Reg. 10325, effective July 1, 1994; amended at 19 Ill. Reg. 8361, effective July 1, 1995; amended at 20 Ill. Reg. 9221, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11174, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2763.10 Summary and Purpose

a) The Minority Teachers of Illinois (MTI) Scholarship Program encourages academically talented minority students to pursue careers as teachers at Illinois preschool, elementary and secondary schools. The program also aims to provide minority children with access to a greater number of positive minority role models.

b) This Part establishes the rules which govern the MTI Minority Teachers of Illinois Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____.)

Section 2763.20 Applicant Eligibility

a) A qualified applicant shall be:

- 1) be a minority student;

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- 2) be a resident of Illinois;
- 3) be a citizen or permanent resident of the United States;
- 4) a have--graduated--from high school graduate or have--received a General Educational Development (GED) certificate recipient Certification--(6BB);
- 5) be enrolled or accepted for enrollment on a full-time basis, unless a last semester senior who must enroll only for a minimum of six 6 credit hours;
- 6) be an undergraduate student at an institution of higher learning at the sophomore level or above;
- 7) be enrolled or accepted for enrollment in a course of study which, upon completion, qualifies the student to be certified as a preschool, elementary or secondary school teacher by the Illinois State Board of Education;
- 8) without have-not-received a baccalaureate degree;
- 9) be maintaining a cumulative grade point average of no less than 2.5 on a 4.0 scale; and
- 10) be maintaining satisfactory academic progress as determined by the institution.
- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), David A. DeBolt Teacher Shortage Scholarship Program (23 Ill. Adm. Code 2764), or the Special Education Teacher Tuition Waiver Program (23 Ill. Adm. Code 2765), the qualified applicant shall not be eligible for scholarship assistance under this Part.

(Source: Amended at 22 Ill. Reg. _____, effective _____.)

Section 2763.30 Program Procedures

a) A completed ISAC application for the MTI Minority Teachers-of-Illinois Scholarship Program must be received in ISAC's Deerfield office on or before the May 1 immediately preceding the regular school academic year for which the scholarship is being requested in order to receive priority consideration for an award.

1) Applications are available from qualified institutions of higher learning, State legislative and Congressional offices, and ISAC's Springfield, Deerfield, and Chicago offices.

2) ISAC will mail renewal applications to all qualified students who received MTI Scholarships during the preceding regular school academic year.

3) If the application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.

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- b) At least 30 percent of the funds appropriated for scholarships awarded under this Section in each fiscal year shall be reserved for male qualified applicants.
- c) Notwithstanding the provisions of subsection (b) of this Section, awards will be made first to renewing applicants.
- d) No recipient may receive more than 8 semesters/12 quarters of scholarship assistance under this program.
- e) Scholarship funds are applicable towards up to two semesters/three quarters of full-time study within a regular school ~~an academic~~ year.
- f) The total number of scholarships awarded in a given fiscal year is contingent upon available funding. If appropriated funds are insufficient to provide all qualified applicants with a scholarship, available funds shall be allocated in accordance with subsections (b) and (c) of this Section and on the basis of the dates that the completed applications are received in ISAC's Deerfield office.
- g) Qualified applicants may be required to furnish the postsecondary institution at which they are enrolled with a copy of their high school transcripts, any other documentation verifying high school graduation, or a copy of their ~~GED~~ ~~General--Educational--Development~~ certificates.
- h) Prior to receiving scholarship assistance under this Part, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
- 1) ~~a--pledge--on--the--part--of~~ the recipient pledges to teach, on a full-time equivalent basis, for one year for each year of scholarship aid received, or for any portion of a year for which aid was received, under this Part;
 - 2) ~~the a--stipulation--that--such~~ teaching requirement will be fulfilled within the ten-year ~~10--year~~ period following the completion of the undergraduate program for which the recipient received assistance under this Part;
 - 3) ~~the a--stipulation--that--such~~ teaching requirement will be fulfilled at a nonprofit Illinois public, private or parochial preschool, elementary school, or secondary school at which no less than 30 percent of the enrolled students are minority students, as certified by the Illinois State Board of Education (ISBE);
 - 4) ~~a--stipulation--that,~~ if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to student loans under ~~FFELP~~ ~~the--FFES--program~~ and, if applicable, reasonable collection fees; and
 - 5) ~~a--further--stipulation--that~~ the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.); and.

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- 6) ~~the recipient promises to use the proceeds of the scholarship for~~ educational expenses.
- i) The ten-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States armed forces ~~services~~;
 - 2) is enrolled on a full-time basis as a graduate student in a course of study related to the field of teaching at an institution of higher learning;
 - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician;
 - 4) is actively seeking but unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection (h)(3) of this Section for a single period not to exceed two years, and is able to provide evidence of that fact; or
 - 5) is taking ~~pursuing~~ additional courses ~~coursework~~, on at least a half-time basis, needed to obtain certification as a teacher in Illinois.
- j) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States armed forces ~~services~~;
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 3) is seeking and unable to find full-time employment, for a single period not to exceed two years, and is able to provide evidence of that fact; or
 - 4) withdraws from a course of study leading to certification as a teacher but is enrolled full-time in another academic discipline.
- k) During the time a recipient qualifies for any of the extensions listed in subsection (j) of this Section, s/he shall not be required to make payments and interest shall not accrue.
- 1) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher at the preschool, elementary or secondary level, but not before six months have elapsed after the cessation of full-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
 - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within ten years after completing the postsecondary education for which the scholarship was awarded.

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- m) A recipient shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled as established by the sworn affidavit of a qualified physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2763.40 Institutional Procedures

- a) The institution shall submit eligibility information for qualified applicants in sufficient time for ISAC to make award announcements.
- b) The institution shall submit a certification of eligibility for qualified applicants with its request for payment.
- c) ISAC shall disburse scholarship funds in two or three installments, depending on the number of terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final term of the regular school academic year for which the scholarship is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
- d) Funds shall be remitted by ISAC to institutions on behalf of the recipient(s).
- e) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the scholarship funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.
- f) Upon receipt of the scholarship funds, if the recipient has withdrawn from enrollment for the term(s) for which the award was intended, the institution shall return the total amount of the scholarship to ISAC.
- g) Scholarship Amount

- 1) MTI scholarships Minority-Teachers-of-Illinois-Scholarships are applicable only toward tuition and fees and room and board charges or commuter allowances, if applicable.
- 2) The annual scholarship amount shall be computed by the institution and must be the lesser of:
 - A) tuition and fees plus room and board expenses charged by the institution;
 - B) tuition and fees plus the standard commuter allowance for students living off-campus; or
 - C) \$5000 \$57000.
- 3) The total amount of MTI Minority-Teachers-of-Illinois-Scholarship assistance awarded to a qualified applicant in a given regular school academic year, when added to the other financial aid available to the qualified applicant for that year, cannot exceed

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- the cost of attendance.
- 4) A qualified applicant may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the qualified applicant's cost of attendance exceeds the amount of the MTI scholarship.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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1) Heading of the Part: Monetary Award Program (MAP)

2) Code Citation: 23 Ill. Adm. Code 2735

3) Section Numbers: Proposed Action:
 2735.10 Amendment
 2735.20 Amendment
 2735.30 Amendment
 2735.40 Amendment
 2735.50 Amendment
 2735.60 Repeal
 2735.Appendix A Amendment

4) Statutory Authority: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

In Section 2735.10, Summary and Purpose, the reference to "nonprofit" has been deleted, in recognition of the changes made by Public Act 90-122, which permits certain proprietary institutions to participate in the Monetary Award Program. In Section 2735.30(b), the new program name of "Temporary Assistance for Needy Families" has been substituted for "Aid to Families with Dependent Children," which it has replaced. References in Section 2735.30(e) to fall, winter and spring terms are being replaced by more precise references to first and second semesters and first, second and third quarters. A provision is being added to Section 2735.40(m)(2) which requires the chief financial officer of each institution to certify annually that payment reconciliations have been completed and refunds have been made. Some institutions have not been making refunds to ISAC on a timely basis, which can prevent this agency from awarding the unused funds to other deserving recipients within the same academic year. It is hoped that by requiring this certification, the completion of the required activities will receive a higher level of attention and resources at some schools, thereby allowing us to assist additional students. In order to reduce administrative burden, ISAC is removing the requirement in Section 2735.50(d) that institutions must request advance payment for MAP on an annual basis. Now, once an institution has made such a request, it will

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be deemed to remain in effect until it is withdrawn. Section 2735.60, Contractual Agreement Requirements, is being moved to a new Section in General Provisions, 2700.80, to reflect its broader applicability to other gift assistance programs. And finally, a cross-reference in Section 2735.APPENDIX A(b) has been updated to mirror changes made during the major rules re-engineering initiative which took place last year.

6) Will these proposed amendments replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission
 1755 Lake Cook Road
 Deerfield, Illinois 60015
 (847) 948-8500
 rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2735

MONETARY AWARD PROGRAM (MAP)

Section

2735.10 Summary and Purpose

2735.20 Applicant Eligibility

2735.30 Program Procedures

2735.40 Institutional Procedures

2735.50 Advance Payment Option

2735.60 Contractual Agreement Requirements (Repealed)

APPENDIX A Advance Payment Formula

AUTHORITY: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20857, effective January 1, 1986; amended at 11 Ill. Reg. 3225, effective January 29, 1987; amended at 11 Ill. Reg. 14134, effective August 10, 1987; amended at 12 Ill. Reg. 11546, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1735 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2735 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17864; amended at 14 Ill. Reg. 7242, effective May 1, 1990, amended at 16 Ill. Reg. 11296, effective July 1, 1992; emergency amendment at 16 Ill. Reg. 19237, effective November 23, 1992, for a maximum of 150 days; emergency expired on April 22, 1993; emergency amendment at 17 Ill. Reg. 6672, effective April 15, 1993, for a maximum of 150 days; emergency expired on September 18, 1993; amended at 17 Ill. Reg. 10596, effective July 1, 1993; amended at 17 Ill. Reg. 22576, effective January 1, 1994; amended at 19 Ill. Reg. 8369, effective July 1, 1995; amended at 20 Ill. Reg. 9227, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11184, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2735.10 Summary and Purpose

a) The Monetary Award Program (MAP) provides direct grant assistance to eligible students. MAP grants are apportioned among otherwise eligible applicants on the basis of relative financial resources and available funds. Recipients must enroll at approved ~~nonprofit~~ Illinois institutions in order to use MAP grants.

b) This Part establishes rules which govern the Monetary Award Program. Additional rules and definitions are contained in General Provisions, Part at 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. _____, effective _____.)

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_____)

Section 2735.20 Applicant Eligibility

a) A qualified applicant shall be:

1) a citizen or eligible noncitizen;

2) a resident of Illinois;

3) maintaining satisfactory academic progress as determined by the institution;

4) enrolled in an eligible degree or certificate program (34 CFR 668.8) on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period; and

5) enrolled at an ISAC-approved institution of higher learning.

b) A recipient may receive MAP grant payment for less than half-time enrollment provided the recipient was enrolled on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period.

c) MAP grant eligibility is based on the relative financial eligibility at an ISAC-approved institution of higher learning of the applicant's choice, and is reevaluated if the student's choice of institution changes.

d) Eligibility is restricted to undergraduate students.

1) MAP recipients must not have received a baccalaureate degree. ⁷ and

2) Graduate students are not eligible for MAP assistance. For purposes of this Part, an institution of higher learning shall classify as a "graduate student" any student who:

A) is enrolled in an academic program or course above the baccalaureate level which leads to any degree above the baccalaureate level; and

B) is not eligible to receive federal financial assistance (34 CFR 674.2, 675.2, 676.2) as an undergraduate student; and

C) has completed the equivalent of at least three years of full-time postsecondary study, either prior to entrance into the academic program or as part of the academic program itself.

(Source: Amended at 22 Ill. Reg. _____, effective _____.)

Section 2735.30 Program Procedures

a) An application for a MAP grant must be submitted annually. An applicant uses the form which the United States Department of Education (ED) designates as an application form for federal student financial aid. (See Section 483 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a).)

b) Applicants, spouses and the parents of applicants are required to

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submit financial information on the application which will be kept confidential, regarding income, asset value and non-taxable income (e.g., Temporary Assistance for Needy Families Aid--to--Families--with Dependent-Children, public aid, veterans' veteran's-benefits or Social Security benefits).

c) Priority Consideration Dates

Regular school year applications must be received before June 1 immediately preceding the regular school year for which the application is being made from students who had applied for a MAP grant for the previous regular school year in order to receive priority consideration for a full year award. Regular school year applications must be received before October 1 from students who had not applied for a MAP grant the previous regular school year in order to receive priority consideration for a full year award.

d) Priority Processing Guidelines

1) Students who file applications will be considered for full or partial year MAP awards based on available funds and the following:

- A) Prior to June 1 preceding the regular school year for which assistance is being requested, students who had not applied for a MAP award the previous regular school year and students who did apply for a MAP award the previous regular school year will both be considered for full year awards;
- B) From June 1 until October 1, students who had not applied for MAP awards the previous regular school year will be considered for full year awards; while students who did apply for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only;
- C) On or after October 1, and until the date of final suspension of award announcements for that regular school year, students who had not applied for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only; while students who did apply for a MAP award the previous regular school year will not be considered for a MAP award at all.
- 2) During the time periods referenced above, awards will be announced concurrently, both to students who had not applied for a MAP award the previous regular school year and to students who did apply for a MAP award during the previous regular school year. Award announcements will be made concurrently through the date of suspension of award announcements.
- 3) If it becomes necessary to suspend the processing of award announcements in order to remain within appropriated funding levels, the suspension will be applied concurrently to students who had not applied for a MAP award for the previous regular school year and to students who did apply for a MAP award the previous regular school year.

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- 4) Corrections to applications received prior to the final suspension of award announcements will be processed and announced up to two months after the final suspension date or until the completion of the processing cycle, whichever comes first.
- e) Students eligible for second semester/second and third quarter winter or spring-term awards who have missed the June 1 priority date and who are graduating mid-year may request that their second semester/second or third quarter winter--or--spring award be used for first semester/quarter fall-term.
- f) To the extent necessary to administer the program within the limits of the MAP appropriation, the Commission may adjust the priority consideration dates and the priority processing guidelines established by this Section.

g) When an application is incomplete, a notice will be sent to the applicant. The applicant then has an opportunity to furnish the missing information; however, depending on processing schedules, the applicant may be considered only for subsequent term awards.

h) Applicants are informed that they are MAP recipients on the basis of application data supplied to ISAC. ISAC will recalculate awards for those applicants whose applications are not in basic agreement with their financial records, after receipt of corrected data. All announced MAP recipients are subject to verification.

i) The Commission shall annually establish and publicize guidelines for the release of or increase in MAP awards as additional funds become available.

j) MAP grants are applicable only toward tuition and mandatory fees. MAP grants may not exceed the:

- 1) maximum award specified at 110 ILCS 947/35(c); or
- 2) institution's tuition and mandatory fee charges on file with ISAC.

k) The maximum MAP grant available to a recipient attending a public community college is limited to the in-district tuition and mandatory fees. It is the recipient's responsibility to make arrangements to pay the additional costs incurred as an out-of-district student. The recipient is advised to contact the in-district community college and/or local high school regarding application procedures and deadline dates.

l) Public community college award recipients shall be eligible for payment up to 19 hours (9.5 hours for half-time).

m) A recipient may receive the equivalent of 10 semesters/15 quarters of full-time MAP grant payment (see 23 Ill. Adm. Code 2700.40(h)). Eligibility may be extended for one additional term if the recipient has accumulated fewer than 60 eligibility units but does not have enough units remaining for the number of hours that s/he is enrolled in for the term.

n) Seniors in their last term of enrollment prior to receiving a baccalaureate degree and applicants enrolled in student teaching are classified as full-time students for purposes of MAP grant

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eligibility.

- o) The MAP grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) test ~~test~~ or for a high school diploma. (See, e.g., 23 Ill. Adm. Code 215.)
- p) The MAP grant shall not pay for audit courses, credit-by-examination and/or life experience, noncredit ~~non-credit~~ course offerings (except qualifying remedial courses), clock hour programs or correspondence courses. Such course work cannot be used to meet the half-time or full-time requirement. Remedial courses shall be eligible for MAP payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses shall be eligible for ~~for~~ MAP payment.
- q) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive MAP grant payment for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.
- r) Eligibility units are accumulated by a recipient whenever MAP funds are disbursed on behalf of the recipient. (See 23 Ill. Adm. Code 2700.40(h).)
- s) MAP grant payment is subject to the limits of dollars appropriated to ISAC by the General Assembly.
- t) It is the responsibility of MAP recipients to gain admission to approved Illinois institutions of higher learning. Illinois institutions of higher learning are not obligated to admit MAP ~~Monetary-Award~~ recipients. The institution is obligated to provide MAP Monetary-Award recipients the same facilities and instruction, on the same terms, as are provided to other students.
- u) If a recipient's academic program involves out-of-state and/or foreign study, enrollment must be in accordance with subsection (j) and the following provisions:
 - 1) The recipient must be enrolled at the ISAC-approved institution of higher learning, and the out-of-state/foreign study must be applicable to the student's degree or certificate program at the student's institution of record.
 - 2) The ISAC-approved institution of higher learning must record the course credits on the official academic transcript as institutionally earned credit and not as transfer credit.
 - 3) The recipient must be enrolled full-time.
 - 4) An institution shall not request more than two semesters/three quarters of MAP assistance for any one qualified applicant.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 2735.40 Institutional Procedures

- a) MAP recipients must report to the institution all additional gift assistance that applies toward tuition and mandatory fees, such as tuition waivers and scholarships.
- b) If a MAP recipient receives other assistance targeted specifically for tuition and fees, the combined assistance shall not exceed the total tuition and fee expenses incurred.
- c) If an applicant is eligible for assistance under the Illinois National Guard (ING) Grant Program or the Illinois Veteran Grant (IVG) Program (23 Ill. Adm. Code 2730 and 2733), the applicant is not eligible for a full MAP grant because ING and IVG must be factored into the financial aid packaging prior to awarding MAP gift assistance. The institution may request payment of a partial MAP grant to finance fee expenses not covered by the above-referenced programs.
- d) If an applicant is eligible to receive tuition or fee benefits through a prepaid or reimbursable tuition plan, or through a payment to the institution of higher learning by the applicant's employer, the institution of higher learning shall request MAP payment in accordance with this subsection:
 - 1) A prepaid tuition plan is any program which exempts a student from tuition charges because of a payment(s) to the institution at a time prior to the student's enrollment. A reimbursable tuition plan is a program which reimburses a student for tuition costs after satisfactory completion of course work.
 - 2) The institution of higher learning shall recalculate the applicant's MAP eligibility by decreasing the applicant's tuition and fee charges by the amount of benefits the applicant is eligible to receive from the sources in subsection (d)(1) of this Section. The institution of higher learning shall report the applicant's reduced grant award on the payment request.
- e) The provisions of this Section shall not apply to benefits derived from the Baccalaureate Savings Act [110 ILCS 920] and 23 Ill. Adm. Code 2771.
- f) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the cost of attendance used to calculate Title IV aid for that student. Any excess gift assistance is considered an overaward and the institution of higher learning is required to reduce the MAP award and/or other gift assistance to prevent such an overaward.
- g) Institutions of higher learning shall submit payment requests to ISAC. When submitting payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2735.20, Applicant Eligibility.
- h) For any institution of higher learning which has concurrent registration opportunities, the following policy pertains:
 - 1) The recipient must indicate his/her institution of record on the

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MAP application.

- 2) The payment of the term award by ISAC will require the institution of record to receive MAP payment on behalf of any other institution(s) and the institution of record shall distribute the appropriate share of the award to the other institution(s). Payment by ISAC will not be made to more than one institution.
- 3) The amount paid cannot exceed the maximum term award for full-time or half-time students at the institution of record, or the tuition and mandatory fee costs at the institution of record if the costs are less than the maximum term award.
- 4) Concurrent registration is limited to ISAC-approved institutions of higher learning.
- 5) The recipient's academic record(s) at the institution of record must document the total number of credit hours for which the student is enrolled.
- i) If an Illinois institution operates an out-of-state center, residents of Illinois enrolled in classes at the out-of-state center may receive MAP benefits in accordance with Section 2735.30(u).
- j) If an announced recipient's credit hour enrollment decreases, the institution shall only request payment up to the amount of actual expenses incurred.
- k) Upon receipt of a payment request from the institution of record, ISAC remits MAP grant funds to the institution of record on behalf of the recipient. The institution of record shall credit these funds to the recipient's account.
- 1) MAP grants are divided into two semester or three quarter regular term payments and are paid directly to the approved institution of record which certifies to ISAC that the applicant is an eligible recipient.
- 1) ISAC will annually establish priority claim dates for the return of payment request lists and inform schools of the required priority dates.
- 2) Late payment requests will result in delayed processing of payments. Payment requests are processed in the sequence of receipt by ISAC and as funds are available.
- 3) Under no circumstances are institutions to submit their payment requests until after the second week of classes for the term for which they are requesting payment.
- m) Institutional Processing of Payments
 - 1) Within 30 days after and including the date of receiving any MAP funds claimed or advanced pursuant to this Section, the institution shall credit the MAP funds against the recipients' tuition and mandatory fee charges for the appropriate term.
 - 2) Institutions are required to reconcile payments received through MAP the----Monetary-Award-Program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term.

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Refunds may be caused by billing errors, retroactive withdrawals and other miscellaneous reasons ~~authorized by this Part~~. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds due. The Chief Financial Officer of each institution receiving payment under this program shall certify annually that such payment reconciliation has been performed for each term of that year, in conformity with the requirements of this subsection, and that all necessary refunds have been returned to ISAC.

- 3) Award payments made in the name of one recipient cannot be applied to another recipient at the same institution. A refund of the payment made must be submitted to ISAC, and a supplemental request for payment must be processed for the proper recipient.
- 4) To provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield, all payment requests must be received by ISAC no later than August 1 due to the State's fiscal year lapse period ending August 31.
- 5) Payment requests received after August 1 for the prior academic year will be processed as time and available funds permit; however, final action may require institutions to go to the Illinois Court of Claims to obtain payment for approved claims. (See the Court of Claims Act [705 ILCS 505].)
- 6) If the institution does not submit refunds as required by this Section, ISAC will deduct outstanding refunds from subsequent institutional payment requests.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2735.50 Advance Payment Option

- a) ISAC-approved institutions of higher learning may request consideration for the advance payment option. To be eligible, the institution must have received MAP payments for each of the last five academic years, and ISAC must have completed an audit of the institution's performance during that five year period. Institutions with provisional eligibility shall not receive advance payments. (See 23 Ill. Adm. Code 2700.30(i)(6).)
- b) Subject to the availability of funds, payments are advanced on a term-by-term basis. Advance payments are made in an amount not to exceed 75 percent of a term's announced recipients, adjusted for attrition as determined by subsection (c)(2). The formula by which ISAC computes an institution's advance payment is illustrated in Appendix A of this Part.
- c) For purposes of computing an institution's advance payment, ISAC uses the lowest retention rate resulting from the following three formulae:
 - 1) Dollar value of the previous fiscal year's claimed awards divided

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by the dollar value of the previous fiscal year's announced awards;
 2) Number of claimed awards for the previous fiscal year divided by the number of awards announced during the previous fiscal year;

or
 3) Using the formula in subsection (c)(2) above, compute the retention rate for the previous five fiscal years. Add the five retention rates and divide by five to produce the five year average retention rate.

d) If an institution receives advance payment pursuant to this Section, the Requests for advance payment shall be submitted by June 1 with the annual tuition and fee charges (see 23 Ill. Adm. Code 2700-30(e)). The balance of payment due for the current term will be paid to the institution after ISAC receives a payment request.

e) If an advance payment received by an institution exceeds the total grant payments for which that institution's students are eligible, the institution shall submit the appropriate refund to ISAC prior to the end of the academic year.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2735.60 Contractual Agreement Requirements (Repealed)

a) The primary purpose of a MAP approved contractual course of study must be educational and must lead to and be required for a degree or health education certificate in a published course of study offered by an ISAC approved institution.

b) All contractual agreements between ISAC approved public institutions and non approved institutions must be programs approved by the Illinois Board of Higher Education (IBHE). (See 23 Ill. Adm. Code 1050.) All ISAC approved institutions not governed by the IBHE program review and approval procedures shall submit their contractual agreements to ISAC for approval prior to requesting MAP payment for any contractual course work taken. ISAC shall approve the contractual agreement if the terms are consistent with this Section.

c) The institution of record must be an ISAC approved institution.

d) An ISAC approved institution may enter into a contractual agreement with a non approved institution/agency only if the approved ISAC institution does not have specific educational facilities and facilities available within the institution to offer the Illinois Board of Higher Education approved programs.

e) All ISAC approved institutions are required to submit to ISAC a published curriculum of all courses leading to a certificate or degree in all programs involving contractual agreements between two or more institutions/agencies. Only courses required for these programs that are included in the published curriculum will be eligible for ISAC payment. Furthermore, only those courses approved by the Illinois

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Community College Board for baccalaureate or vocational programs in the public community colleges will be eligible for ISAC payment at the public community colleges.

f) The governing boards of all ISAC approved institutions not subject to IBHE contractual guidelines and/or program review and approval procedures should certify to ISAC that the following items are included within the contractual agreement and are the responsibilities of the ISAC approved institution:

1) administrative responsibility for the program is with the ISAC approved institution;
 2) provisions for program supervision including on-site visits by the ISAC approved institution;
 3) admission policies consistent with the approved institution's policies;

4) procedures for the maintenance of records and transcripts by the ISAC approved institution;

5) statement on student tuition fees and other charges;
 6) number of credit hours required and criteria for course completion within the program consistent with the ISAC approved institution's policies and guidelines for all programs;

7) student withdrawal policy consistent with ISAC approved institution policy;
 8) maintenance of liability insurance;

9) responsibility for faculty employment and evaluation;

10) availability of student auxiliary services;

11) consistency with policies, rules and regulations of other state approval agencies;

12) establishment and utilization of a representative advisory committee;

13) provision for follow up studies consistent with the ISAC approved institution practices;

14) annual program and contract review by the ISAC approved institution; and

15) certification that the non approved institution/agency meets statutory requirements and is approved by appropriate State of Illinois agencies and boards.

g) ISAC requires all ISAC approved institutions to indicate the percentage of their own students who participate in the contract programs of study and the percentage of all students enrolled in the non approved institution/agency who will receive tuition assistance through an approved contractual agreement. When either of these percentages exceeds 30% the contractual agreement will not be approved by ISAC.

h) All students wishing to enter into programs where contractual courses are taken must be informed by the ISAC approved institution whether these courses are eligible for ISAC payment.

i) The Consortium Agreement (see 23 Ill. Adm. Code 2700-30) shall be filed with ISAC along with annual tuition and fee charges. (See 23

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Ill.-Adm.-Code-2700-30(1)-(2)

(Source: Repealed at 22 Ill. Reg. _____, effective _____)

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Section 2735.APPENDIX A Advance Payment Formula

a) The formula abbreviations are as follows:

- 1) ATA = Announced Term Awards
- 2) ADV = Average Dollar Value of ATA
- 3) CT = Current Term
- 4) DA = Dollars Advanced
- 5) FY = Fiscal Year
- 6) PFY = Previous Fiscal Year
- 7) RR = Retention Rate
- 8) %AD = Percentage Advanced

b) The advanced payment formula established at Section 2735.50(1)-(2) may be demonstrated as follows:

$$[(ATA \times RR) \times \%AD] \times ADV = DA$$

c) Sample Award History:

Announced Awards	Awards Claimed	RR
FYA: 6,050	3,063	.51
FYB: 5,271	3,214	.61
FYC: 5,001	2,313	.46
FYD: 3,333	1,619	.49
PFY: 3,468	1,285	.37

Five year average RR: .49

Total Dollars Announced	Total Dollars Claimed	RR
PFY: 1,245,568.00	\$383,647.50	.31

CT ATA: 859
CT ADV: \$403.27

%AD: .75

d) Sample Calculation:

- 1) $[(859 \times .31) \times .75] \times 403.27 = DA$
- 2) $(266.29 \times .75) \times 403.27 =$
- 3) $199.718 \times 403.27 =$
- 4) $DA = \$80,540.28$

(Source: Amended at 22 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Robert C. Byrd Honors Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2755
- 3) Section Numbers: Proposed Action:
 2755.30 Amendment
 2755.40 Amendment
 2755.APP. A Amendment
- 4) Statutory Authority: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:

New Section 2755.30(d) has been added to codify a federal requirement. Subsections (e)-(j) of Section 2755.30 are being added and revised to more clearly distinguish between a postponement (a delay of initial enrollment of up to 12 months), a waiver (when part-time enrollment is allowed for up to 12 months, due to unusual circumstances) and an interruption (a temporary disruption of studies once they have already begun, also for up to a period of 12 months). These clarifications also outline the procedures for requesting these exceptions to the enrollment requirements and the parameters within which ISAC may grant the requests. Section 2755.40(c) has been added to demonstrate that outstanding refunds due ISAC will be deducted from subsequent payments to the institution. And finally, Section 2755.40(d) has been added to identify the conditions under which an award may be suspended if a recipient temporarily fails to meet the requirements for continuing eligibility.

- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:
 Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission
 1755 Lake Cook Road
 Deerfield, Illinois 60015
 (847) 948-8500
 rmartine@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis:
 A) Types of small businesses, small municipalities and not for profit corporations affected: None
 B) Reporting, bookkeeping or other procedures required for compliance: None
 C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2755

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Section

2755.10 Summary and Purpose

2755.20 Applicant Eligibility

2755.30 Program Procedures

2755.40 Institutional Procedures

APPENDIX A Geographic Districts

AUTHORITY: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 19 Ill. Reg. 8386, effective July 1, 1995; amended at 20 Ill. Reg. 9244, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11211, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2755.30 Program Procedures

- a) A completed application for a Robert C. Byrd Honors Scholarship must be received in ISAC's Deerfield office on or before January 15 preceding the academic year for which the scholarship is being requested.
- b) Applications for the Robert C. Byrd Honors Scholarship are available for distribution to students at approved high schools in Illinois; offices of District and Regional Superintendents of Education of the State of Illinois; offices of ISAC in Springfield, Chicago and Deerfield.
- c) If the student section of the application is incomplete, notification shall be sent to the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) Each year new and renewal Byrd applicants are to certify to ISAC that they meet eligibility requirements.
- e) Recipients must be enrolled on a full-time basis unless granted a postponement, waiver or interruption for the first year of study.
- f) A new recipient may postpone his or her initial enrollment for a

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

maximum of 12 months.

g) After the first year of full-time study, the recipient may request a waiver of the full-time enrollment requirement due to unusual circumstances for a maximum of 12 months.

1) The request is to be A-waiver-form-shall-be-completed-by-the-recipient--and submitted in writing to ISAC and any with accompanying documentation must also be submitted.

2) The circumstances under which an exception to the full-time enrollment requirement may be granted include:

A) the recipient's employment hours will not permit full-time enrollment additional-course-load;

B) the recipient has medical problems that will not permit full-time enrollment attendance, as established by the sworn statement of a licensed physician;

C) the recipient is in his/her last semester of school and full-time enrollment additional-course-work-to-complete-the-degree is not required to complete the degree; or

D) the care of an immediate family member due to illness or incapacitation will not permit full-time enrollment an additional-course-load.

3) In order to receive a waiver of the full-time enrollment requirement, the recipient must be enrolled at least half-time.

h) If the full-time enrollment requirement is waived, the Byrd award is prorated according to the number of hours the recipient is enrolled.

i) After the first year of study, a recipient may postpone-or interrupt his or her enrollment at an institution for a maximum of 12 continuous months.

1) The request is to be submitted in writing to ISAC and any documentation must also be submitted.

2) The circumstances under which an interruption may be granted include:

A) the recipient's participation in a cooperative education or study abroad program;

B) the recipient is experiencing financial difficulties that will not permit continuous enrollment;

C) the recipient has medical problems that will not permit continuous enrollment; or

D) the recipient has family responsibilities that will not permit continuous enrollment.

j) The scholar is not eligible to receive scholarship funds during the periods of postponement or interruption. The funds that would have been awarded to the scholar during that time period can be awarded to the scholar during a subsequent period of enrollment at an institution as an undergraduate student.

k) A recipient who is subsequently determined to be ineligible shall repay ISAC the total amount of the funds received for the period during which s/he was ineligible.

l) ISAC shall select new recipients from among the timely applications

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

filed by highest scoring qualified applicants on the basis of the following criteria:

- 1) Academic Data. A qualified applicant's score shall be computed as follows:

$$\begin{aligned} &[(\text{number in class divided by rank}) \times .05] \\ &+ [(\text{grade point average divided by scale}) \times 100] \\ &+ [(\text{Illinois Standard Test Score} \times 10) = \text{score}] \end{aligned}$$

A) Rank in class, class size and grade point average (GPA) shall be reported as of the end of the third semester prior to graduation from high school or its equivalent. An institution shall use the same class size and GPA scale in reporting all of its applicants.

B) SAT I or ACT tests, which must be taken during the time frame ~~timeframe~~ identified for State Scholar eligibility (see 23 Ill. Adm. Code 2760.20(b)), shall be converted to the Illinois Standard Test Score as described in 23 Ill. Adm. Code 2760.30(b).

C) If more than one score is submitted, the highest score is used.

D) For applicants qualifying by virtue of their GED scores (see Section 2755.20(a)(4) of this Part), class rank shall be set at 5 out of 100 (top 5%) and average GED percentile rank shall be used in lieu of grade point average divided by scale.

E) For those high schools that do not submit class ranks, the applicant scores shall be computed using number in class and rank as equal to one.

2) Geographic District. New Robert C. Byrd Honors Scholarships will be allocated within geographic districts in accordance with Appendix A of this Part. An applicant's county of residence shall be determined by his or her permanent home address.

m)† Scholarships will be awarded first to renewing applicants.

n)†† Scholarships funds are applicable towards an academic year of study. o)† New recipients are selected from each of the 15 geographic districts, and on an at-large basis, in accordance with the number of awards set forth in Appendix A to this Part. The at-large recipients shall be chosen from among the highest scoring non-selected qualified applicants statewide, regardless of their geographic district.

p)†† The total number of scholarships awarded in a given fiscal year is contingent upon available funding (see Section 419D of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-34), Allocation Among States), notwithstanding the number of new scholarships outlined in Appendix A to this Part.

q)†† Recipients will be informed of their selection by the May 1 preceding the academic year for which the scholarship was requested.

r)†† High schools will be notified of the recipients attending their high

ILLINOIS STUDENT ASSISTANCE COMMISSION

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school by May 1.

s)† All qualified applicants who are not selected will receive letters notifying them that they have not been chosen as recipients.

t)†† If an individual does not accept the offer of a new scholarship award, the next highest scoring qualified applicant not yet selected from the same geographic district will be chosen to receive a scholarship.

u)†† Each year recipients shall complete an "Eligibility Certification" that includes statements required by ED.

v)†† Scholarship funds shall be sent to the institution on behalf of the recipient(s).

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 2755.40 Institutional Procedures

a) An institution ~~institutions~~ shall certify the qualified applicant's eligibility with its request for payment within the time frame ~~timeframe~~ specified by ISAC.

b) Upon receipt of scholarship funds, the institution(s) shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit scholarship funds to the recipient's account for expenses due and payable. If the recipient withdraws from enrollment prior to completing the academic year of study, the institution shall return the amount of the scholarship to ISAC for the semester(s) or quarter(s) not attended. Refunds not submitted to ISAC will be deducted from payments for the subsequent academic year.

d) If a scholar does not meet the requirements for continuing eligibility within an award year, scholarship funds will be suspended until the scholar demonstrates that s/he meets the eligibility requirements. The scholar is not eligible to receive scholarship funds during the period of suspension. If the suspension period exceeds 12 months, the scholar's eligibility will be terminated. If eligibility is reestablished within the 12-month period, scholarship funds will be disbursed only for remaining periods of eligibility. The funds not awarded during a period of suspension cannot be awarded to the scholar during a subsequent period of enrollment at an institution as an undergraduate student.

e)† The total amount of the Byrd Scholarship awarded to a recipient in any given academic year, when added to the other federal or state financial aid available to the recipient for that year, cannot exceed the student's cost of attendance.

1) The amount of any federally guaranteed student loans should be decreased prior to reducing the amount of the Byrd Scholarship.

2) A Monetary Award Program (MAP) grant should be decreased prior to reducing the amount of a Byrd Scholarship.

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3) The Byrd Scholarship should be decreased prior to reducing the amount of a Federal Pell Grant.

~~f) d)~~ Except as provided in subsection (e) of this Section ~~Section 2755-40(c)-of-this-Part~~, a recipient may receive up to \$1500 for each academic year, up to a maximum of four years of study. Scholarship payment is subject to the limit of available federal funding.

~~g) e)~~ Out-of-state institutions that are eligible to participate in Title IV federal student financial aid programs need not execute a Program Participation Agreement with ISAC to receive funds on behalf of recipients.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENTS

Section 2755.APPENDIX A Geographic Districts

District Number	Counties	Number Of New Scholarships
1	Cook	110
2	DuPage	22
3	Lake	11
4	Winnebago, Boone, McHenry	11
5	Mercer, McDonough, Adams, Schuyler, Warren, Fulton, Sangamon, Cass, Menard, Hancock, Mason, Henderson	
6	DeKalb, Kane, Lee	11
7	Kendall, Will, Grundy	11
8	Jo Daviess, Ogle, Carroll, Henry, Bureau, Rock Island, Whiteside, Stephenson	11
9	LaSalle, Putnam, Livingston, Ford, McLean, Kankakee, Iroquois	11
10	Knox, Stark, Marshall, Peoria, Woodford, Tazewell	11
11	Champaign, Edgar, Vermilion, Coles, Clark, Douglas, Cumberland, Jasper, Crawford	11
12	Logan, DeWitt, Piatt, Macon, Christian, Moultrie, Shelby, Montgomery, Clay, Marion, Effingham, Bond, Fayette	11
13	Calhoun, Greene Green , Scott, Brown, Pike, Jersey, Morgan, Madison, Macoupin	11
14	Richland, Wayne, Lawrence, Wabash, Edwards, White, Jefferson, Union, Franklin, Hardin, Hamilton, Saline, Gallatin, Johnson, Pope, Jackson, Massac, Alexander, Pulaski, Williamson	11
15	St. Clair, Perry, Clinton, Monroe, Washington, Randolph	11
-	At-Large	11

(Source: Amended at 22 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: State Scholar Program
- 2) Code Citation: 23 Ill. Adm. Code 2760
- 3) Section Numbers: Proposed Action:
2760.20 Amendment
2760.30 Amendment
- 4) Statutory Authority: Implementing Section 25 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC proposes the following substantive amendments:
- In Section 2760.20(a)(3), language has been added to clarify that, for the purposes of this program, an eligible student needs to be a resident of Illinois at the time the nominating high school submits its rank-in-class roster to ISAC. This is being done in an effort to afford equal consideration to meritorious students who transfer to eligible Illinois high schools shortly before eligibility is determined. Since the State Scholar program is an honorary, non-monetary program, ISAC wished to be as inclusive as possible by being less restrictive in the time period of residency required for consideration. References in Sections 2760.20(b) and 2760.30(f) to the tests which must be taken to be eligible for consideration have been updated to reflect the most current name for one of the tests, the ACT Assessment. And finally, now that the transition to a revised computation method adopted last year is complete, outdated and date-specific language in Section 2760.20(b)(4) and (b)(5) and Section 2760.30(d)(1) and (d)(2) has been deleted. The remaining language accurately reflects the program as currently administered.
- 6) Will these proposed amendments replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:
- Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015
(847) 948-8500
rmartine@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1998
- The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2760

STATE SCHOLAR PROGRAM

Section	Summary and Purpose
2760.10	State Scholar Eligibility
2760.20	Program Procedures
2760.30	

AUTHORITY: Implementing Section 25 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 4 Ill. Reg. 16, p. 118, effective April 7, 1980; rules repealed, new rules adopted at 5 Ill. Reg. 7251, effective June 26, 1981; amended at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10878; amended at 9 Ill. Reg. 20877, effective January 1, 1986; amended at 11 Ill. Reg. 3242, effective January 29, 1987; amended at 11 Ill. Reg. 14137, effective August 10, 1987; amended at 13 Ill. Reg. 8654, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1760 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2760 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17868; amended at 14 Ill. Reg. 10589, effective July 1, 1990; amended at 16 Ill. Reg. 11321, effective July 1, 1992; amended at 17 Ill. Reg. 10624, effective July 1, 1993; amended at 18 Ill. Reg. 10346, effective July 1, 1994; amended at 19 Ill. Reg. 8395, effective July 1, 1995; amended at 20 Ill. Reg. 9251, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11222, effective July 18, 1997; amended at 22 Ill. Reg. _____, effective _____.

Section 2760.20 State Scholar Eligibility

- a) To be considered for the State Scholar Program, a high school student shall:
- 1) demonstrate superior academic potential as measured by test scores and high school records;
 - 2) be a United States citizen or eligible noncitizen;
 - 3) be a resident of Illinois at the time the high school certifies the rank in class for each potential scholar;
 - 4) rank in the upper half of his/her high school class; and
 - 5) attend an approved high school.
- b) To be considered for the State Scholar Program, a student must take either the American-College-Testing-(ACT) Assessment or the College Board's SAT I: Reasoning Test, during the third or fourth semester prior to graduation from high school (e.g., for a student attending

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NOTICE OF PROPOSED AMENDMENTS

high school for the traditional eight semesters, the exam must be taken during the fifth or sixth semester).

- 1) A student may take either or both examinations during the designated period.
 - 2) All scores from such tests taken during the designated period must be submitted to ISAC.
 - 3) If a student submits scores from multiple any--two examinations taken during the designated period, ISAC will use the highest score. Higher-of-the-two-scores.
 - 4) If-the-student-submits-scores-from-more-than-two-examinations, taken-during-the-designated-period,--ISAC-will-disregard-the-lowest-scores-and-use-the-average-of-the-remaining-scores.
 - 5) For-students-entering-the-State-Scholar-competition-for-academic-year--1999-2000--and-beyond,--ISAC-will-use-the-highest-score-of-those-who-submit-scores-from-two-or-more-examinations--taken-during-the-designated-period.
 - 46) When a student submits scores to ISAC, the student must report his/her academic level at the time the test was taken.
- c) ISAC will accept supplementary score reports of tests taken during the designated period upon the student's authorization to the test service. Such authorization by the student must be received by ISAC before August 1.
- d) Students who, for any reason, are unable to take a test on a regular testing date should make special arrangements to be tested in accordance with the procedures of the testing service. Any such special arrangements must take into account the test score submission deadline in subsections (b) and (c) of this Section.

(Source: Amended at 22 Ill. Reg. _____, effective _____.)

Section 2760.30 Program Procedures

- a) In order for its students to be considered for the State Scholar Program, a high school must calculate and provide to ISAC class ranks as of the third semester prior to graduation of students who desire to be considered for the Program.

- 1) Class ranks are to be calculated so that the class rank for the lowest grade point average Grade-Point-Average (GPA) equals the total number of students being ranked.

Example:	Class Rank	GPA
	1	99.3
	2	98.9
	2	98.9
	4	98.1
	5	97.9

ILLINOIS STUDENT ASSISTANCE COMMISSION

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5 97.9
7 97.4

2) The equivalent term rank shall be provided for students planning to graduate in other than the traditional four years (see Section 2760.20(b)).

b) Test scores submitted in accordance with this Part shall be converted to an Illinois Standard Test Score as follows:

- 1) The ACT Assessment Composite Score shall be the Illinois Standard Test Score.
- 2) SAT I verbal and math scores shall be added, and then converted to the Illinois Standard Test Score using the table below.

Illinois Standard Test Score Table

Illinois Standard Test Score	SAT I Verbal + Math	ACT Composite
36	1580 to 1600	36
35	1530 to 1570	35
34	1500 to 1520	34
33	1450 to 1490	33
32	1400 to 1440	32
31	1360 to 1390	31
30	1320 to 1350	30
29	1280 to 1310	29
28	1240 to 1270	28
27	1200 to 1230	27
26	1170 to 1190	26
25	1130 to 1160	25
24	1090 to 1120	24
23	1050 to 1080	23
22	1010 to 1040	22
21	970 to 1000	21
20	930 to 960	20
19	890 to 920	19
18	850 to 880	18
17	810 to 840	17
16	760 to 800	16
15	710 to 750	15
14	660 to 700	14
13	620 to 650	13
12	570 to 610	12
11	520 to 560	11
10	470 to 510	10
9	430 to 460	9
8	400 to 420	8

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c) High school class ranks submitted in accordance with this Part shall be converted to an Illinois Standard Rank Score as follows:

- 1) First, determine the percentile of the class rank for each student in accordance with the following formula:

$$\text{Percentile} = [\text{Size of Class MINUS (Rank in Class minus .5)}] \div \text{Size of Class}$$

- 2) Then, use the table below to convert a percentile class rank to the Illinois Standard Rank Score.

Illinois Standard Rank Score

Percentile	Illinois Standard Rank Score
99.75 - 99.99	30
99.54 - 99.74	29
99.19 - 99.53	28
98.62 - 99.18	27
97.73 - 98.61	26
96.42 - 97.72	25
94.53 - 96.41	24
91.93 - 94.52	23
88.50 - 91.92	22
84.14 - 88.49	21
78.82 - 84.13	20
72.58 - 78.81	19
65.55 - 72.57	18
57.94 - 65.54	17
50.00 - 57.93	16

d) Illinois-Weighted-Selection-Score-computation--it--An--Illinois-Weighted Selection-Score-for-each-student--shall-be-computed-by-multiplying--the Illinois--Standard--Test--Score--by--two--and-adding-that-result--to--the Illinois--Standard--Rank--Score--2--Per--students--entering--the--State Scholar--competition--for--academic--year--1999-2000--and-beyond, An Illinois Weighted Selection Score for each student shall be computed by adding the Illinois Standard Test Score to the Illinois Standard Rank Score.

e) In any academic year, the number of State Scholars is approximately equal to ten percent of the estimated total number of Illinois high school graduates. ISAC annually establishes a minimum Weighted Selection Score to yield this result.

f) Notwithstanding the previous provisions in this Section, any student nominated by his or her school shall be designated a State Scholar if that student achieves a score at or above the 95th percentile on the ACT American-College-Testing-(ACT)--standardized-assessment Assessment examination, or the equivalent thereof on a comparable examination, regardless of that student's class rank.

g) A Certificate of Achievement and congratulatory letter are issued for

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- each State Scholar.
- h) A listing of State Scholars shall be available upon request to colleges, members of the General Assembly and to the media.
 - i) Mailing labels of State Scholars' names shall be available, at cost, to Illinois colleges, universities and associations of Illinois colleges. Payment must be received by ISAC at the time the mailing labels are ordered. Requestors of labels shall provide written assurance to ISAC that the labels will not be resold or released to others in any manner.
 - j) High school officials or student candidates shall have a period of 60 days following the announcement of the State Scholars to appeal a student's status. (See: 23 Ill. Adm. Code 2700.70, Appeal Procedures.)
 - k) If an appeal concerning an applicant's eligibility is received, ISAC shall request the high school verify the reported data. If the conflict remains, ISAC shall conduct an audit of the high school's records in accordance with 23 Ill. Adm. Code 2700.60.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF TRANSPORTATION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Inspection Procedures for Type II School Buses
- 2) Code Citation: 92 Ill. Adm. Code 443
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
443.10	Amend
443.25	Amend
443.40	Amend
443.Appendix A	Amend
443.Appendix B	Amend
443.Appendix C	Amend
443.Appendix D	Amend
443.Appendix E	Amend
443.Appendix F	Amend
443.Appendix G	Amend
443.Appendix H	Amend
443.Appendix I	Amend
443.Appendix J	Amend
443.Appendix K	Amend
443.Illustration A	Amend
443.Illustration E	Repeal
443.Illustration F	New Section

- 4) Statutory Authority: Implementing and authorized by Article VIII of the Illinois Vehicle Equipment Law [625 ILCS 5/Ch. 12, Art. VIII as amended by P.A. 90-108, effective July 14, 1997] and the Illinois Vehicle Inspection Law [625 ILCS 5/Ch.13].

- 5) A complete description of the subjects and issues involved: By this Notice, the Department proposes to update, clarify and correct the Illinois school bus inspection procedures. This proposed amendment corresponds with the adoption of 92 Ill. Adm. Code 458, effective October 1, 1997. Part 458 addresses the school bus driver's pretrip inspection requirements which will be removed from Section 443.Illustration E of this Part. Section 443.Illustration E will be repealed and a new Illustration, Illustration F: School Bus Emergency Exits, will be added to the Part. The following details specific changes made to Sections in this Part.

Section 443.10 Purpose and Scope: The Department is removing the reference to the daily pretrip inspection requirements performed by the school bus driver. These requirements have been adopted at 92 Ill. Adm. Code 458, effective October 1, 1997.

Section 443.25 Incorporation by Reference of Federal Regulations: The Department is updating the reference to the federal regulations as of October 1, 1996, and is deleting the references to federal final rules which are now contained in the CFR.

DEPARTMENT OF TRANSPORTATION

NOTICE OF PROPOSED AMENDMENTS

Section 443.40 Definitions: The Department is adding a definition of "interstate school bus", is removing the reference to "State Certification label" in the definition of "Manufacturer", is removing the definition of "newton", is amending the definition of "school bus" and is adding a definition of "seating reference point".

Section 443.Appendix A Air Cleaner through Barrier, Guard: The Department is updating the reference to the federal regulations, is clarifying the requirements for aisles adjacent to side emergency doors and is adding an Agency Note regarding flip-up seats.

Section 443.Appendix B Battery or Batteries through Bumper, Front: The Department is amending the rejection criteria for brake drums/discs, is clarifying language regarding emergency brake warning lights, is adding inspection criteria for low pressure warning devices for air brake systems, is clarifying language for inspecting hydraulic brake systems, is correcting the reference to Brake Inspection Report, is adding rejection criteria for computerized brake testing equipment, and is replacing language for crossing control arms with a reference to crossing control arm in Section 443.Appendix C.

Section 443.Appendix C Bumper, Rear through Drive Shaft Guard: The Department is adding "school bus" in Certificate and Registration Card Holder, is correcting a reference to "BUS" in Certification Label (FEDERAL) and is adding criteria for crossing control arms pursuant to P.A. 90-108, effective July 14, 1997.

Section 443.Appendix D Electrical System through Fenders: The Department is updating the references to the federal regulations, is clarifying the language for alarms and installation specifications on roof hatches, is adding criteria for inside release mechanisms on side emergency exits, is adding criteria for the condition of doors and rubber seals around the doors, is adding language regarding side emergency exits for buses manufactured on or after September 1, 1994, is clarifying language regarding alarms on emergency exits, is adding language for locks and alarms on entrance doors, is clarifying procedures for inspection of exhaust systems and is removing "patching" of exhaust system from rejection criteria.

Section 443.Appendix E Filter, Oil through Frame and Body: The Department is adding "interior engine cover" to inspection of floors and floor covering, and is removing the requirement that floor covering be "rib type."

Section 443.Appendix F Fuel Storage and Delivery System through Horn: The Department is correcting the reference to Section 443.Illustration E, is correcting language regarding the placement of a fuel identification decal for vehicles powered by an alternate fuel system and is adding

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additional inspection procedures for inspection of interior grab handles.

Section 443.Appendix G Instruments and Instrument Panel through Locked Compartment: The Department is adding voltmeter to instruments and instrument panel, is updating the reference to the federal regulations, is correcting the reference to alternate fuel decal, is removing language regarding optional route identification markers from the exterior section of lettering (the language is located in the interior section), is adding language requiring the vehicle's length to be posted inside the bus (effective 1/1/99), is correcting exceptions to lighting requirements, is adding requirements for color order of flashing lights, is adding a requirement for flashing light's pilot lights to function, is adding inspection criteria for high/low beams on headlights, is adding applicable requirement for high-mounted stop lamp, and is deleting the requirement that armored turn signal lamps be "flush mounted."

Section 443.Appendix H Mirrors through Rub Rails: The Department is deleting the requirement that all mirrors be adjustable, is adding the requirement that all mirrors meet FMVSS 49 CFR 571.111 (Rearview Mirrors), is deleting the requirement that the right and left side safety mirror be adjustable, is adding language that allows retroreflective tape to be located on the rear bumper under certain conditions, is adding criteria for optional white roofs, is clarifying language regarding required and optional retroreflective tape and is clarifying the requirement for padding interior roof projections.

Section 443.Appendix I Seat Belts through Steps, Entrance: The Department is adding language to allow child restraint systems on school buses provided they are installed according to the restraint's manufacturer's specifications, is correcting language regarding flip-up seats and is updating references to the federal regulations.

Section 443.Appendix J Stop Arm Panel through Trash Container (Optional): The Department is renaming "stop arm panel" to "stop signal arm panel" for consistency with 92 Ill. Adm. Code 442, is adding requirements for additional (Optional) stop arm panels, is adding "broken" as rejection criteria for shocks and is adding inspection criteria for an optional trash container.

Section 443.Appendix K Undercoating through Windshield Wipers: The Department is amending the inspection procedures and the rejection criteria for measuring the tread used on the steering axle, is moving and clarifying the statement regarding the location where tire measurement is prohibited, is amending the rejection criteria for windows and is adding rejection criteria for "star chips" on the windshield.

Section 443.Illustration A Stop Arm Panels: The Department is amending Section 443.Illustration A by adding "Signal" in the Section heading for

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consistency with the text.

Section 443.Illustration E Driver's PreTrip Inspection Requirements and Sample Form: The Department is repealing the Illustration to remove the school bus driver pretrip inspection requirements to correspond with 92 Ill. Adm. Code 458 (School Bus Driver's Pretrip Inspection Requirements).

Section 443.Illustration F (School Bus Emergency Exits): The Department is adding Section 443.Illustration F to clarify the federal standards which require additional emergency exits on school buses depending on the size of the bus.

6) Will this proposed rulemaking replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This Part will affect units of local government that own or operate school buses. It will also affect units of local government that operate an Illinois Official Testing Station authorized to inspect school buses.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Any interested party may submit written comments or arguments concerning this proposed rule. Written submissions shall be filed with:

By U.S. Mail:

Ms. Cathy Allen
Regulations Unit
Illinois Department of Transportation
Division of Traffic Safety
P.O. Box 19212
Springfield, IL 62794-9212
(217) 785-1181

By Messenger or Inter-Agency Mail:

DOT Annex Building
3215 Executive Park Drive
Commercial Vehicle Safety; 3rd Floor
Springfield, IL

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JCAR requests, comments and concerns regarding this rulemaking should be addressed to:

Christine Caronna-Beard, Rules Manager
Illinois Department of Transportation
2300 South Dirksen Parkway, Room 300
Springfield, IL 62764
(217) 782-3215

Comments received within 45 days after the date of publication of this *Illinois Register* will be considered. Comments received after that time will be considered, time permitting.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses affected: This part affects small businesses that own or operate school buses. It will also affect small businesses that operate Illinois Official Testing Stations authorized to inspect school buses.

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: No additional skills are necessary for compliance with this Part.

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the Proposed Amendments begins on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 92: TRANSPORTATION

CHAPTER I: DEPARTMENT OF TRANSPORTATION

SUBCHAPTER e: TRAFFIC SAFETY (EXCEPT HAZARDOUS MATERIALS)

PART 443

INSPECTION PROCEDURES FOR TYPE II SCHOOL BUSES

Section

443.10 Purpose and Scope

443.20 Application

443.25 Incorporation by Reference of Federal Regulations

443.30 Standards of Construction

443.40 Definitions

APPENDIX A Air Cleaner through Through Barrier, Guard

APPENDIX B Battery or Batteries through Through Bumper, Front

APPENDIX C Bumper, Rear through Through Drive Shaft Guard

APPENDIX D Electrical System through Through Fenders

APPENDIX E Filter, Oil through Through Frame and Body

APPENDIX F Fuel Storage and Delivery System through Through Horn

APPENDIX G Instruments and Instrument Panel through Through Locked

Compartment

APPENDIX H Mirrors through Through Rub Rails

APPENDIX I Seat Belts through Through Steps

APPENDIX J Stop Signal Arm Panel through Through Trash Container (Optional)

Through-Tow-Hooks

APPENDIX K Undercoating through Through Windshield Wipers

APPENDIX L Illinois Minimum Standards for School Bus - Van Type

Conversions 1-16 Passengers Purchased Prior to September 1974

ILLUSTRATION A Stop Signal Arm Panels

ILLUSTRATION B Exhaust Guidelines

ILLUSTRATION C Brake Inspection Report

ILLUSTRATION D Propane Decal

ILLUSTRATION E Driver's Pre-Trip Inspection Requirements and Sample Form

(Repealed)

ILLUSTRATION F School Bus Emergency Exits

AUTHORITY: Implementing and authorized by Article VIII of the Illinois Vehicle

Equipment Law [625 ILCS 5/Ch. 12, Art. VIII] and the Illinois Vehicle

Inspection Law [625 ILCS 5/Ch. 13].

SOURCE: Adopted at 19 Ill. Reg. 4634, effective March 13, 1995; amended at 22

Ill. Reg. _____, effective _____.

Section 443.10 Purpose and Scope

This Part prescribes the requirements of the Illinois Department of

Transportation governing:

a) Implementation of Article VIII, the Illinois Vehicle Equipment Law

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[625 ILCS 5/Ch. 12, Art. VIII]; and

b) Inspection procedures for Type II school buses, and

c) Performance of the daily pre-trip inspection by school bus drivers.

PART 443

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 443.25 Incorporation by Reference of Federal Regulations

Whenever this Part refers to the Code of Federal Regulations and that reference

incorporates the federal regulations by reference, the federal regulations

incorporated shall be that which was effective as of October 1, 1996 1997--as

amended--at--57-PR-49437--November-27--1992--as-amended-at--57-PR-57009--December

27--1992--as-amended-at--57-PR-57020--December-27--1992--and-as-amended-at--59--PR

22997--May-4--1994, not including any later amendments or editions. Copies of

appropriate federal regulations are available for inspection at the

Department's Commercial Vehicle Safety Section.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 443.40 Definitions

"Body" - Portion of vehicle that encloses the occupant and cargo

spaces and separates those spaces from the chassis frame, engine

compartment, driveline, and other chassis components, except certain

chassis controls used by the driver.

"Body-on-Chassis" - Completed vehicle consisting of a passenger

seating body mounted on a truck type chassis (or other separate

chassis) so that the body and chassis are separate entities, although

one may reinforce or brace the other.

"Bus" - Every motor vehicle, other than a commuter van, designed for

carrying more than ten persons. (Section 1-107 of the Illinois

Vehicle Code (the Code)) [625 ILCS 5/1-107]

"Chassis" - Every frame or supportive element of a school bus that

contains but is not limited to the axles, engine, drive train,

steering components, and suspension which the body is attached to.

(Section 1-110.1 of the Code)

"Code" - The Illinois Vehicle Code [625 ILCS 5]

"Commercial Vehicle Safety Section" (CVSS) - A section of the Bureau

of Safety Programs of the Division of Traffic Safety of the Illinois

Department of Transportation.

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"Department" - The Department of Transportation of the State of Illinois, acting directly or through its authorized agents or officers. (Section 13-100 of the Code)

"Empty Weight" - Unloaded vehicle weight; i.e., the weight of a vehicle with maximum capacity of all fluids necessary for operation of the vehicle but without cargo or occupant.

"Federal Motor Vehicle Safety Standards" (FMVSS) - The rules, regulations and standards set forth in 49 CFR 571.

"Gross Vehicle Weight Rating or GVWR" - The value specified by the manufacturer as the loaded weight of the school bus. (Section 12-800 of the Illinois Vehicle Equipment Law)

"Illinois Vehicle Equipment Law" - 625 ILCS 5/Ch. 12†

"Interstate School Bus" - Any school bus not owned by a school district designed to transport 16 or more persons, including the driver, that is used for interstate charter purposes (i.e., travels to another state). The bus must be marked with a federal Interstate Commerce Commission (ICC) number. Interstate school buses require an annual inspection which meets 49 CFR 396 - Appendix G as well as the semi-annual or 10,000 mile inspection required by 625 ILCS 5/13-101.

"Manufacturer" - (unless otherwise indicated at the point of use) means the person or organization whose name follows "MANUFACTURED BY" or "MFD BY" on the federal and-state certification label.

"Newton"-(N)---Metric-unit-of-force-and-weight---N-a--mass--multiplied by-the-standard-acceleration-of-free-fall; or-"gravity"-(i-e;-9.8)-

"Passenger" - Every occupant of the vehicle who is not the driver.

"Purchase Date" - Date when purchase transaction was completed, not when body or chassis was built.

"School Bus" -

Type I School Bus - A School Bus with gross vehicle weight rating of more than 10,000 pounds.

Type II School Bus - A School Bus with gross vehicle weight rating of 10,000 pounds or less. (Section 12-800 of the Illinois Vehicle Equipment Law)

Every motor vehicle, except as provided below, owned or operated by or for any of the following entities for the transportation of

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persons regularly enrolled as students in grade 12 or below in connection with any activity of such entity:

Any public or private primary or secondary school;

Any primary or secondary school operated by a religious institution; or

Any public, private or religious nursery school.

This definition shall not include the following:

A bus operated by a public utility, municipal corporation or common carrier authorized to conduct local or interurban transportation of passengers when such bus is not traveling a specific school bus route but is:

On a regularly scheduled route for the transportation of other fare paying passengers;

Furnishing charter service for the transportation of groups on field trips or other special trips or in connection with other special events; or

Being used for shuttle service between attendance centers or other educational facilities.

A motor vehicle of the first division. (Section--1-102--of the Code†)

A motor vehicle designed for the transportation of not less than 7 nor more than 16 persons that is operated by or for a public or private primary or secondary school, including any primary or secondary school operated by a religious institution, for the purpose of transporting not more than 15 students to and from interscholastic athletic or other interscholastic or school sponsored activities. (Section 1-182 of the Code)

"Seating Reference Point" - The unique design H-point, as defined in SAE J1100, which simulates the position of the pivot center of the human torso and thigh. Each school bus manufacturer utilizes different criteria to determine the specific seating reference point on passenger seats for vehicles they manufacture.

"Vehicle" -

First Division: Those motor vehicles which are designed for the

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carrying of not more than ten persons.

Second Division: Those vehicles which are designed for carrying more than ten persons, those designed or used for living quarters and those vehicles which are designed for pulling or carrying property, freight or cargo, those motor vehicles of the First Division remodelled for use and used as motor vehicles of the Second Division, and those motor vehicles of the First Division used and registered as school buses. (Section 1-217 of the Code)

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX A Air Cleaner through ~~through~~ Barrier, Guard

a) AIR CLEANER

PROCEDURE/SPECIFICATIONS:

Any type is acceptable.

REJECT VEHICLE IF:

Air cleaner is not properly attached or is missing.

b) AISLE

PROCEDURES/SPECIFICATIONS:

Unobstructed minimum clearance leading from service door to emergency door or back of bus must be at least 12 inches wide. Floor to ceiling height must be minimum of 58.9 inches at any location with the aisle.

An ~~A-dedicated~~ aisle may be present adjacent to any side emergency door. For buses manufactured on or after September 1, 1994, the following must be met:

1) ~~The aisle must be unobstructed at all times.~~
2) ~~No portion of a seat or barrier may extend past the door opening.~~

1) An unobstructed aisle measuring at least 1.7 inches (30 cm) must be maintained at all times, except when a flip-up seat is in the down position.

2) No portion of the door latch mechanism can be obstructed by a seat.

3) ~~The aisle must be at least 11.7 inches (30 cm) aisle is measured from the door opening to the seat back in front. (49 CFR 571.217) (57-PR-49413, November-27-1992, as amended at 59-PR-229977, May-47-1994)~~

AGENCY NOTE:

Flip-up seats are allowed. See SEATS, PASSENGER for standards

REJECT VEHICLE IF:

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Aisle does not meet minimum standards.

c) ALTERNATOR
(GENERATOR)

PROCEDURES/SPECIFICATIONS:

The generator, or alternator with rectifier, shall have a minimum capacity rating of 55 amperes and shall be capable of meeting all electrical requirements.

REJECT VEHICLE IF:

Alternator does not meet minimum standards or is not functioning.

d) AXLES

PROCEDURES/SPECIFICATIONS:

Meets federal chassis requirements as indicated on federal certification label. (49 CFR 568) Wheel base shall not be less than 123 inches.

REJECT VEHICLE IF:

Axles show visible signs of apparent damage, leaking fluids or are not firmly attached.

e) BARRIER,
GUARD

PROCEDURES/SPECIFICATIONS:

Shall be either the following Type A or B:

TYPE A: Constructed and thickly padded to give head and knee impact protection. Installed at the rear of service entrance at least 23 inches ahead of seat back and no more than one inch from right hand wall, bottom shall be no more than two inches above floor. Guard barrier shall match width and above-floor height of the seat-back on right-front forward-facing seat; provided, however the barrier's width shall be reduced as necessary to maintain a 12 inch wide service entrance way and aisle. Except for a grab handle, the guard barrier shall not extend more than one inch ahead of the rear of service door opening nor more than one inch into the space above any service step. No portion of the barrier shall present a

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"snagging," sharp, tripping, or other hostile surface to a person moving through aisle or service entrance way.

TYPE B: Stanchion post shall be installed to the rear and left of the service entrance step well from floor to ceiling with guard rail attached approximately 30 inches above the floor. A step well guard panel installed from stanchion to right hand wall and from guard rail to within two inches of floor. Clearance between step well and first seat should be at least 24 inches measured from panel to front face of seat back at cushion height. All stanchion and guard rails shall be padded. Padding on the stanchions shall extend to within three inches of ceiling and floor; on guard rail it shall extend from wall to stanchion. (49 CFR 568)

Exception: All buses manufactured prior to September 1, 1974, require Type A or B. Buses manufactured from September 1, 1974, to March 31, 1977, require Type A.

Exception: Buses manufactured on and after April 1, 1977, are not required to have guard barriers.

Exception: See 92 Ill. Adm. Code 445.APPENDIX B (Inspection Procedures for Type II Special Education School Buses) for other possible exceptions.

REJECT VEHICLE IF:

Barrier is not solidly attached. Padding or covering shows wear and tear. Barrier does not meet requirements.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX B Battery or Batteries through through Bumper, Front**a) BATTERY OR BATTERIES**PROCEDURES/SPECIFICATIONS:

Battery may be mounted either in engine compartment or on outside of passenger/driver area. Battery shall be a nominal 12-volt type. It shall be of sufficient capacity to supply all electrical requirements but shall be rated not less than either 70-ampere hours at the 20-hour discharge rate or 105-minutes at the 25-ampere discharge rate.

REJECT VEHICLE IF:

Battery or batteries are not securely mounted; excessively corroded; of insufficient capacity.

b) BATTERY CABLESPROCEDURES/SPECIFICATIONS:

Check condition.

REJECT VEHICLE IF:

Cables are corroded or are not securely attached.

c) BATTERY CARRIERPROCEDURES/SPECIFICATIONS:

When the battery is mounted outside the engine compartment it shall be welded or bolted in a closed, weather-tight, and vented compartment that is located and arranged so as to provide for convenient routine servicing. The battery compartment door, or cover, shall be secured by a manually operated latch or other fastener. A latch or fastener must be designed in such a fashion as to keep the door closed when in the latched position. Each electrical cable connecting the battery in this carrier to the body or chassis shall be one piece between the terminal connector and the first body or chassis terminal connector.

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REJECT VEHICLE IF:

Battery carrier does not meet requirements.

PROCEDURES/SPECIFICATIONS:

Every motor vehicle shall be equipped with two separate means of applying the brakes and they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes. (Section 12-301(a) of the Illinois Vehicle Equipment Law)

REJECT VEHICLE IF:

Brakes do not meet requirements.

PROCEDURES/SPECIFICATIONS:

Check condition.

REJECT VEHICLE IF:

Backing plate is in poor condition.

PROCEDURES/SPECIFICATIONS:

Inspect drums and/or discs for cracks or for being worn or reworked beyond the manufacturer's minimum limits **marked discard-limit.**

REJECT VEHICLE IF:

Worn or reworked beyond the manufacturer's minimum limits. **following limits:**

- 1) Drum diameter--0.040-inch-(1mm)-under marked-discard-limit-on-type-I-bus-
- 2) Drum diameter--0.030-inch-(.75mm)-under marked-discard-limit-on-type-II-bus-
- 3) Disc thickness--0.030-inch-(.75mm)-over marked-discard-limit-on-any-bus-

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- 4) ~~Other-rework-(rebrake-reface)-limit specified-by-chassis-manufacturer-~~

3) Emergency
/Parking
Brake

PROCEDURES/SPECIFICATIONS:

Emergency/parking brake system must apply brakes to at least two wheels. (Section 12-301(a) of the Illinois Vehicle Equipment Law)

AGENCY NOTE:

Micro brakes are not considered a separate means of braking and are not acceptable.

Procedures for testing:

- 1) Apply operating control fully.
- 2) Check actuating mechanism for release.

Brake Performance Test:

Using Drive-On Pad Type Tester:

- 1) Drive vehicle onto brake machine pads at 4-8 m.p.h.
- 2) Apply emergency/parking brake to bring vehicle to a halt. Do not lock wheels.
- 3) Note the braking forces registered by the brake machine.

Using Roll-On Type Tester:

- 1) Position axle with emergency brake onto roller.
- 2) Apply emergency brake but do not lock wheels.

REJECT VEHICLE IF:

Emergency/parking brake does not meet requirements.

Procedures for testing:

- 1) Not equipped with emergency/parking

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brakes. Operating mechanism does not hold in the applied position.

- 2) Actuating mechanism does not fully release when release control is operated properly.

Brake Performance Test:

Drive-On Tester:

Machine does not register a total braking force of at least 20% of vehicle empty weight. Braking forces at opposite wheels on same axle vary more than 20%.

Roll-On Tester:

Machine does not register a total braking force of at least 20% of vehicle empty weight. Braking forces at opposite wheels on same axle vary more than 20%.

PROCEDURES/SPECIFICATIONS:

Must be in proper adjustment. If vehicle was manufactured with a warning light, it ~~A~~ warning-light must be visible when emergency brake is activated.

REJECT VEHICLE IF:

Emergency brake ratchet or warning light do not meet requirements.

PROCEDURES/SPECIFICATIONS:

Minimum 1 1/2 inch clearance with pedal fully depressed.

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6) Press
Hydraulic

7) 11-110013-100-100000

1)

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Inspect booster belt(s), supports, tubes, hoses, connections and general condition. Clean reservoir and cover as necessary and check master cylinder fluid level. Do not contaminate fluid.

Turn engine key to "on-" position. Warning signal must come on (look/listen). Depress brake pedal lightly. Start engine. Pedal must move down slightly (feel). Warning signal must go "off" (look/listen).

REJECT VEHICLE IF:

Belt is slack or worn; tube or hose is damaged; any part leaks or is cracked; master cylinder fluid is below manufacturer's recommended capacity maximum-level.

Either booster or warning signal does not operate properly.

D) Vacuum/
HydraulicPROCEDURES/SPECIFICATIONS:

Inspect tank(s), chambers, hoses, tubes, connectors, clamps, and booster air cleaner.

Inspect supports and attachments.

With engine off, repeatedly apply service brakes until vacuum is depleted, with medium pressure on brake pedal, start engine; release brake and operate engine until maximum vacuum is established; stop engine; apply service brakes hard.

With brakes still applied, start engine; after one minute of running engine, check "Low Vacuum" indicator.

REJECT VEHICLE IF:

Any component is restricted, collapsed, scraped, cracked, loose, or broken. Booster

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air cleaner is clogged.

Any support or attachment is broken. Any connecting line or other component is not attached or supported so as to prevent damage from scraping or rubbing.

Foot pedal does not fall away from foot when engine is started; insufficient vacuum reserve to permit one full service brake application after engine is off without actuating "low vacuum" indicator; valve or diaphragm leaking.

7) Service

Brakes

PROCEDURES/SPECIFICATIONS:

Must be equipped with service brakes on all wheels. (Section 12-301(a)(5) of the Illinois Vehicle Equipment Law)

Must be equipped with a "split system" on service brakes. (49 CFR 571.105)

Power-assisted service brakes are required. (49 CFR 571.105)

REJECT VEHICLE IF:

Service brakes do not meet requirements.

A) Brake
Inspection
ReportPROCEDURES/SPECIFICATIONS:

Verify Brake Inspection Report for following (refer to Section 443.Illustration C for example of form):

1)1- Vehicle Identification Number (VIN), make and year must correspond to the bus presented for inspection.

2)2- Brake Inspection Report must indicate the date and mileage at the time the brake inspection was performed. If

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date is more than one year prior to time of inspection or mileage has exceeded 10,000 miles, a brake inspection must be performed.

- 3) The form must be completed with all required information. No blank lines are acceptable.

Exception: If the bus has operated less than 10,000 miles and less than 12 months have passed since the bus was manufactured, a Brake Inspection Report ~~an-brake-inspection-report~~ is not required. Write "Less than 10,000 miles and less than one year old" in the Remarks Section **remarks-section** on the Vehicle Inspection Report.

REJECT VEHICLE IF:

Absent, invalid, or incomplete brake inspection report.

B) Brake Performance Test

PROCEDURES/SPECIFICATIONS:Using Drive-On Pad Type Brake Tester:

Check vehicle's stopping ability before testing.

Drive vehicle onto brake machine pads at 4-8 m.p.h.

Apply service brakes to bring vehicle to a halt. Do not lock wheels.

Note the braking forces registered by the brake machine.

Using Roll-On Type Tester:

When using roller-type tester each axle must be tested separately. Transmission must be in neutral when testing brakes on any drive axle.

Drive front axle onto rollers. Start roller

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motor. Apply service brakes but do not lock wheels.

Repeat the above steps for each axle.

The total braking force on a vehicle must be determined by adding the results of the test on each axle.

REJECT VEHICLE IF:Drive-On Tester:

Machine does not register a total braking force of at least 60% of the vehicle empty weight.

Computerized tester does not register a total braking force of at least 45% of the vehicle empty weight.

Braking forces at opposite wheels on same axle vary more than 20%.

Roll-On Tester:

Machine does not register a total braking force of at least 60% of the vehicle empty weight.

Braking forces at opposite wheels on same axle vary more than 20%.

e) BUMPER, FRONT

PROCEDURES/SPECIFICATIONS:

Manufacturer's standard for vehicle or an equivalent bumper which meets or exceeds manufacturer's standards. Black color is not required.

See CROSSING CONTROL ARM in Section 443.APPENDIX C for requirements.

REJECT VEHICLE IF:

Bumper must be solidly attached, and free from damage or sharp edges.

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~~Bumper may be equipped with a crossing-control arm--Crossing-control arms can only display yellow reflectors or yellow lamps.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443. APPENDIX C Bumper, Rear ~~through~~ Drive Shaft Guarda) BUMPER,
REARPROCEDURES/SPECIFICATIONS:

Manufacturer's standard for vehicle and so attached or shielded between body and bumper as to prevent hitching rides or tows. Black color is not required.

Exception: A bus manufactured in October 1978 or earlier is exempt from having a non-hitchable bumper.

REJECT VEHICLE IF:

Rear bumper does not meet requirements.

Bumper is not solidly attached. Sharp edges are present. Rear bumper is hitchable.

b) CERTIFICATE AND
REGISTRATION
CARD HOLDER

Not required for Type II School Bus.

c) CERTIFICATION
LABEL (FEDERAL)PROCEDURES/SPECIFICATIONS:

Inspect federal certification label if the chassis (incomplete vehicle) was manufactured after November 10, 1978. The manufacturer's label must contain the following information:

- 1) Name of vehicle (bus) manufacturer and the month and year in which manufacture of the vehicle was completed;
- 2) Name of incomplete vehicle (chassis) manufacturer and the month and year in which he performed his last manufacturing operation on the incomplete vehicle;
- 3) Gross vehicle weight rating, or ratings (GVWR);
- 4) Gross axle weight ratings (CAWR);
- 5) The statement, "This vehicle conforms to

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all applicable federal motor vehicle safety standards in effect in (month/year)";

- 6) The vehicle identification number (VIN);
- 7) The vehicle's classification (usually "BUS" ~~"buses"~~). (49 CFR 567.5)

Alterer's certification: A certified vehicle might have been altered before its purchase for use as a school bus. The alterations may have included, but are not limited to, classification changes, gross weight rating changes, or changes to the application/effective date of a federal motor vehicle safety standard. If any such alteration occurred, the bus must carry an additional federal label that identifies the alterer, shows when alteration was completed, "as altered" GVWR, GAWR and classification (if changed). It must also state that the altered vehicle conforms to all applicable federal motor vehicle safety standards in effect in (month/year). (49 CFR 567.7)

REJECT VEHICLE IF:

A required label is absent, defaced, destroyed, not riveted, or not permanently affixed. "Permanently affixed" means the label cannot be removed without destroying or defacing it.

A certification label does not contain the required statement and all other information required for that label.

d) CROSSING
CONTROL ARM

PROCEDURES/SPECIFICATIONS

- 1) Required on school buses manufactured after December 31, 1997. [625 ILCS 5/12-807.2] (see P.A. 90-108, effective July 14, 1997)
- 2) Must meet or exceed SAE J1133.

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- 3) Must be capable of full operation between, and including, the temperatures -40° F and 160° F.

- 4) The arm, when activated, must extend a minimum of five feet from the front face of the bumper.

- 5) The arm must be mounted on the far right side (entry side) of the front bumper.

- 6) Appropriate brackets shall be used to attach the arm to the front bumper for proper operation and storage.

- 7) All component parts must meet or exceed any applicable federal motor vehicle safety standards in effect at the time of manufacture.

- 8) The arm must extend at the same time the stop arm panel extends. An independent "on/off" switch is prohibited.

- 9) If the driver can stop the arm from extending with the use of an optional override switch, the arm sequence must automatically reset once the service door is closed.

- 10) Red lights and/or red reflectors are prohibited.

REJECT VEHICLE IF:

If equipped, arm does not meet requirements.

PROCEDURES/SPECIFICATIONS:

Defrosting equipment shall keep the windshield and the window to the left of the operator and the glass in the service door clear of fog, frost and snow, using heat from heaters and circulation from fans. Must conform to federal standard 49 CFR 571.103.

e) d) DEFOSTERS

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(Auxiliary fans are not considered to be a defrosting and defogging system.)

REJECT VEHICLE IF:

Defrosting system does not function properly.
Auxiliary fans are not securely mounted
or blades are not protected.

f) DRIVE SHAFT
GUARD

PROCEDURES/SPECIFICATIONS:

Shall be of sufficient strength to protect each segment of the drive shaft and prevent it from going through the floor or dropping to the ground if broken.

REJECT VEHICLE IF:

Drive shaft guard is missing, not firmly attached, or does not properly protect each segment of the drive shaft.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX D Electrical System through Through Fenders

a) ELECTRICAL
SYSTEM

1) Circuits

PROCEDURES/SPECIFICATIONS:

Circuits arranged to manufacturer's specifications are acceptable. An additional circuit shall be added for the alternate flashing signal lamps and the stop signal lamps. Circuits may be added as necessary.

REJECT VEHICLE IF:

Breaks in insulation are present. Not on proper circuit or properly wired.

2) Fuses

PROCEDURES/SPECIFICATIONS:

Two extra fuses for each size fuse used on the bus shall be conveniently mounted on the bus body.

REJECT VEHICLE IF:

Fuses are not present or are not conveniently mounted.

3) Switches

PROCEDURES/SPECIFICATIONS:

Check operation and condition.

REJECT VEHICLE IF:

Switches not operating properly or are missing.

4) Wiring

PROCEDURES/SPECIFICATIONS:

All wires shall be properly insulated and securely attached at not more than 18.1 inches (460 mm) intervals. Check condition.

REJECT VEHICLE IF:

Insulation is frayed or missing. Wiring not securely attached.

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b) EMERGENCY
EXITSPROCEDURES/SPECIFICATIONS:

All buses must be equipped with either a rear emergency door or a left side emergency door and a rear emergency window. (49 CFR 571.217)

Additional emergency exits, including roof

hatches, may be required on buses

manufactured on or after September 1,

May-27 1994. (49 CFR 571.217) (See

Section 443. Illustration F) ~~457-PR~~

~~494137-November-27-1992~~

For those buses manufactured on or after May 2, 1994, each opening for a required emergency exit must be outlined around its outside perimeter with a minimum 1 inch (2.54 cm) wide yellow retroreflective tape. This yellow retroreflective tape must be on the exterior surface of the bus. (49

CFR 571.217) ~~457-PR-494137~~

~~November-27-1992; 457-PR-494137~~

~~PR-229977-May-47-1994~~

Optional emergency roof hatches are allowed.

They must be installed according to

manufacturer's specifications.

~~recommendations and no alarm is required.~~

Open and close roof hatches (required or optional) to verify their operation.

REJECT VEHICLE IF:

Emergency exits do not meet requirements.

Roof hatches do not open.

PROCEDURES/SPECIFICATIONS:

Inside release mechanism must be protected against accidental operation and must be easily accessible from the inside. Must be operated only by moving handle as shown by arrow and without use of remote control, power device, key tool, or any attached or

1) Side

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unattached object other than the release handle. (49 CFR 571.217)

Shall be hinged on front side and open outward. Shall be equipped with safety glass (or equivalent) located in upper portion of the door. Door shall be of at least the same gauge metal as the body. Shall be 24 inches or more clear horizontal opening, with forward edge of opening in line with the rearmost edge of a seat back. Shall have 45 inches or more clear vertical opening.

Inside release mechanism must be protected against accidental release; easily accessible; readily operated manually without the use of remote control, power device or tool. Door and rubber seal must not be defective. (See Alarms and Locks in this subsection for requirements.)

For buses manufactured on or after September 1, 1994, there must be at least 11.7 inches (30 cm) measured from the door opening to the seat back in front. (49 CFR 571.217)

REJECT VEHICLE IF:

Inside release mechanism is not protected.

Inside and outside release mechanisms are not accessible, or operable; unable to open easily; hinge is located at incorrect location; location and size of opening is incorrect. General condition of door and/or rubber seal is defective.

PROCEDURES/SPECIFICATIONS:

Shall open outward with a 120 degree minimum swing. Upper portion of each door shall contain fixed safety glazing. Shall be equipped with a fastening device which can be quickly released from inside and outside the body. The outside fastening device must be non-hitchable. Door and rubber seal must not be defective. (See Alarms and Locks in this subsection for requirements.)

Inside release mechanism must be protected

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against accidental operation and must be easily accessible from the inside. Must be operated only by moving handle as shown by arrow and without use of remote control, power device, key, tool, or any attached or unattached object other than the release handle. (49 CFR 571.217)

Exception: On a bus manufactured in August 1974 or earlier, the emergency exit shall be in the center of the rear end, exempt from 120 degree swing and may open either vertically or horizontally.

REJECT VEHICLE IF:

Inside release mechanism is not protected. Inside and outside release mechanisms are not accessible or do not operate properly. Outside release mechanism is hitchable. Door does not open easily. Location of hinge is incorrect. Size of opening is incorrect. Glazing does not meet requirements. General condition of door and/or rubber seal is defective (rubber-and-seal-is-poor).

3) **Emergency Window**

PROCEDURES/SPECIFICATIONS:

When the emergency door is located on the left side, a rear emergency window shall be provided. Minimum 16 inches high and 48 inches wide. Designed to be opened from the inside or the outside. Hinged on top, designed and operated to insure against accidental closing in an emergency. Inside handle shall provide for quick release. Outside handle shall be nondetachable and nonhitchable. (See Alarms and Locks in this subsection for requirements.)

REJECT VEHICLE IF:

If equipped, operating **Operating** mechanisms do not function. Glass is cracked or broken.

4) **Alarms and**

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Locks

PROCEDURES/SPECIFICATIONS:

Both audible and visible alarms shall alert the driver when the engine is running and any emergency exit door either:

- A) Is not fully latched; or
- B) Is locked and not readily operated manually.

An audible alarm shall alert the driver when the engine is running and any emergency exit window either:

- A) Is not fully latched; or
- B) Is locked and not readily operated manually.

Audible-and-visible-alarms-shall-alert-driver-when-the-engine-is-running-and-any-required-emergency-exit-or-optional-emergency-exit-door-either:

- 1) Is not fully latched; or
- 2) Is locked and not readily operated manually;

Optional-emergency-exit-windows-must-be-equipped-with-an-audible-alarm-which-is-activated-when-the-above-criteria-is-met:

The engine starting system shall not operate while any emergency exit door or window (optional or required) is locked from either inside or outside the bus. "Locked" means that the release mechanism cannot be activated and the exit opened by a person at the exit without a special device such as a key or special information such as a combination.

An alarm cut-off or "squelch" control is prohibited.

On a van conversion, any rear cargo door inside lock(s) of the type installed by the chassis manufacturer (such as commonly used in

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cars - "push/pull" type) shall be made inoperable. The mechanism cannot, through jarring, vibration, etc. cause the door to become locked and be inoperable from the inside or outside.

Exception: No Alarm is required for roof hatches.

Exception: On a bus with chassis (incomplete vehicle) manufactured in March 1977 or earlier, the engine starting system may operate while the emergency door is locked. The "Not Stop Engine" requirement applies to every bus.

Exception: On a bus manufactured in August 1974 or earlier, the "Not Fully Latched" alarm is optional. The "Door Locked" alarm is required on each bus with a lockable emergency door.

REJECT VEHICLE IF:

Alarms do not alert driver as required. Locks do not meet requirements.

c) ENTRANCE DOOR

1) Physical Requirements

PROCEDURES/SPECIFICATIONS:

Door shall be located to right of operator and operated by an over-center control. Upper portions of door shall be safety glass or equivalent. Vertical closing edges shall be equipped with flexible material for a proper seal and to prevent injury.

Each door on the right side of the vehicle, hinged or sliding, except the service door shall be made permanently inoperable by means other than the rub rail on the outside of the body.

REJECT VEHICLE IF:

d) EXHAUST SYSTEM

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Binding or jamming is evident, malfunctions, over-ride device on power operated door does not function, control not accessible by driver. Door is missing, loose, or damaged. Rubber seal is missing or torn.

PROCEDURES/SPECIFICATIONS:

A service door lock is not required but if any type of service door locking system is installed on the bus, the system shall conform to one of the following:

1) The locking system shall not be capable of preventing the driver from easily and quickly opening the service door from inside the vehicle; or

2) A locking system that is capable of preventing the bus driver from easily and quickly opening the service door shall include an audiovisual alarm. The alarm shall be audible and visible and must alert the driver when the engine is running and the service door is locked. An alarm disconnect, "squelch control," or other alarm defeating or weakening device shall not be installed; or

3) A locking system shall not be capable of preventing the bus driver from easily and quickly opening the service door except when a person outside the bus uses a key that is not capable of locking more than one of at least 1000 of the door manufacturer's key locking systems.

REJECT VEHICLE IF:

Locks and alarms do not meet requirements. Bent, worn, or dislocated parts that would delay quick door release and opening are present.

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1) General

PROCEDURES/SPECIFICATIONS:

"Exhaust System" includes each component used to conduct gas from an engine exhaust port (manifold) to authorized exit point, including each sealing, connecting, and supporting component. Exhaust system shall be outside body and attached to chassis. Size of tail pipe tailpipe shall not be reduced after it leaves muffler. Any flexible component that contains exhaust gas shall be of stainless steel. System shall not leak. System shall have an outlet at its discharge end(s) only.

REJECT VEHICLE IF:

All parts of system are not securely fastened and supported.

Any part of system is leaking or missing.

Any part of system contains holes not made by manufacturers.

2) Shielding

PROCEDURES/SPECIFICATIONS:

Any flammable material, electrical insulation, brake hose, or fuel system component containing fuel that is located within 11 13/16 inches (300 mm) of a component containing exhaust gas shall be safeguarded by a heat shield.

Exhaust system shall be shielded from either accidental contact, "hitching to," or "standing on," except at discharge end. A chassis or body component may provide required shield.

REJECT VEHICLE IF:

Shielding is not present (if applicable).

Exception: Fuel system components on diesel powered engines that are located within four inches of a component containing exhaust gas shall be shielded.

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3) Discharge PROCEDURES/SPECIFICATIONS:

The exhaust system's discharge end (tail pipe) (tailpipe) shall be within .98 inch (25 mm) of bus side, rear, or rear corner. It must not extend past a side-sub-rail or more than one inch past the bumper. Exhaust fumes Gas shall not be directed towards a door or other opening into bus body. In addition, the discharge end, or ends, shall not be located in any prohibited zone shown in Section 443. Illustration B.

REJECT VEHICLE IF:

Exhaust discharges into prohibited zones. (See Illustration B.)

Exhaust system (tail pipe) does not discharge in proper location.

Tail pipe extends more than one inch past the bumper.

Exhaust fumes are released towards a door or other opening into bus body.

All parts of system are not securely fastened and supported.

Any part is leaking, missing, or patched.

Any part contains holes not made by manufacturer.

e) FENDERS

PROCEDURES/SPECIFICATIONS:

Shall be properly braced and free from any body attachment.

There shall be approximately one inch located between front fenders and back face to cowl.

REJECT VEHICLE IF:

Fenders are not solid or in bad condition.

Sharp edges are evident.

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Fenders are loose or protrude out.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX E Filter, Oil through ~~through~~ Frame and Body

a) FILTER, OIL

PROCEDURES/SPECIFICATIONS:

Replaceable element or cartridge type.
Minimum one-quart capacity.

REJECT VEHICLE IF:

Oil filter leaks or does not meet requirements.

b) FIRE
EXTINGUISHERPROCEDURES/SPECIFICATIONS:

Pressurized dry-chemical gauge type approved by Underwriters' Laboratories, Inc., rating of not less than 10 B.C. mounted in bracket and readily accessible. Sealed with a type of seal that will not interfere with operation. If stored in locked compartment, compartment must be labelled. Halon fire extinguishers (10 B.C.) are approved.

REJECT VEHICLE IF:

Gauge does not indicate in the calibrated or marked "Full Charge" area. Seal is broken. Extinguisher is not mounted, not in a quick release holder or not labelled in compartment, if applicable. Improper rating. Missing.

c) FIRST AID KIT

PROCEDURES/SPECIFICATIONS:

Kit shall be readily identifiable, removable, and mounted in readily accessible place in driver's compartment -- either in full view or in specified secured compartment (see LOCKED COMPARTMENT). If not carried in compartment, the case shall be dust tight and substantially constructed of durable material. The contents shall include, but not be limited to the following:

Unit Type (Minimum Contents)

4" bandage compress - 1 package

2" bandage compress - 1 package

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- 1" bandage or adhesive compress - 1 package
- 40" triangle bandage with two safety pins - 1

Splint, wire or wood - 1

A tourniquet or any type of ointment, antiseptic, or other medicine shall not be included.

AGENCY NOTE: OSHA approved blood-borne pathogen kits are permitted.

REJECT VEHICLE IF:

Kit is not complete. Dust or other visible dirt is present inside case. Minimum number of individual packages are not sealed. Medicine or tourniquet is present. Locked compartment containing kit is not labelled. Not mounted in readily accessible location. Missing.

d) FLOORS AND
FLOOR COVERING

PROCEDURE/SPECIFICATIONS:

A plywood of 5/8 inch exterior BB grade or equivalent material shall be applied over the existing steel floor and securely fastened. Covering in underseat area shall be of fire resistant floor covering of type commonly used in passenger transportation equipment and shall have a minimum thickness of .125 inch. The floor covering in the aisle shall be nonskid, wear resistant, and fire resistant ~~and-rib-type~~. The aisle floor covering shall have a minimum thickness .140 inch.

All floor coverings and metal floor stripping must be permanently bonded to the floor and must not crack when subjected to sudden changes in temperature. Bonding or adhesive material shall be waterproof. All seams must be sealed with waterproof sealer. All openings in floorboard or fire wall between chassis and passenger carrying compartment must be solid and sealed.

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Boots and seals around shift levers, and emergency brakes and interior engine covers must be secure and solidly attached.

REJECT VEHICLE IF:

Abnormal wear and obstructions are present. Holes or openings are present in floors, floor covering, interior engine cover, or boots. Metal floor stripping is not securely attached or broken. Interior engine cover is not fastened securely. Floor or floor covering does not meet requirements.

e) FRAME AND

BODY

PROCEDURES/SPECIFICATIONS:

Visually inspect:

- 1) Body mounts shall be attached and sealed to the chassis cowl so as to prevent the entry of water, dust or fumes through the joint between the chassis cowl and the body.
- 2) Cross members and mounting bolts.
- 3) Engine mounting bolts.
- 4) Frame shall extend to rear of body cross member.
- 5) Frame extension is permitted when alterations are behind rear hanger or rear springs and not for the purpose of extending wheel base.
- 6) Collision damage which is detrimental to the safe operation of the vehicle.

REJECT VEHICLE IF:

- 1) Cracked, loose, missing bolts. Any repair done by welding body to frame, insulation strip missing.
- 2) Loose, cracked, broken or missing.

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- 3) Missing, loose.
- 4) Cracked, broken, bent, rusted to a depth as to substantially weaken frame - welding except by body manufacturer.
- 5) Unless permitted, frame extends past wheel base.
- 6) Collision damage which is detrimental to the safe operation of the vehicle.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX F Fuel Storage and Delivery System through Whorough Horn**a) FUEL STORAGE
AND DELIVERY
SYSTEM**PROCEDURES/SPECIFICATIONS:

Entire fuel system, except extensions for driver control of air or fuel, must be outside passenger and driver compartment.

REJECT VEHICLE IF:

Any part of fuel system, except extensions for driver control of air or fuel, is within passenger/driver compartment.

PROCEDURES/SPECIFICATIONS:

Meets manufacturer's specifications. Must be the same as or equivalent to original equipment.

REJECT VEHICLE IF:

Fuel filler cap is defective or missing.

PROCEDURES/SPECIFICATIONS:

Firmly attached. No leakage, seepage, abrasion, or chafing. Must be 11 13/16 inches (300 mm) from any part of exhaust system that contains exhaust gas or be safeguarded by a heat shield. Inside engine compartment, the chassis manufacturer's standard shall govern separation and shielding between parts designed by chassis manufacturer.

Exception: Fuel system components on diesel powered engines that are located within four inches of a component containing exhaust gas shall be shielded.

REJECT VEHICLE IF:

Fuel lines are cracked, leak, insecure mounting, damaged, clamps missing, mount

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clips missing or not separated or not shielded properly (if applicable).

3) Fuel Filler Tube

PROCEDURES/SPECIFICATIONS:

Check condition.

REJECT VEHICLE IF:

Fuel filler tube leaks or is not secure.

4) Fuel Pump

PROCEDURES/SPECIFICATIONS:

Check condition.

REJECT VEHICLE IF:

Fuel pump leaks, is damaged or is not secure.

5) Fuel Tank(s)

PROCEDURES/SPECIFICATIONS:

Minimum capacity of 24 gallons, mounted, filled, and vented entirely outside body. Must meet manufacturer's specifications. (49 CFR 571.301)

REJECT VEHICLE IF:

Fuel tank(s) have leakage, seepage, or abrasion; hole or crack that would leak or seep when tank is full.

6) Fuel tank mount(s)

PROCEDURES/SPECIFICATIONS:

Check condition.

REJECT VEHICLE IF:

Fuel tank mount(s) are cracked, loose, or bolts are missing.

7) Fuel tank straps

PROCEDURES/SPECIFICATIONS:

Check condition.

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REJECT VEHICLE IF:

Fuel tank straps are cracked, loose, or missing.

8) Alternate Fuel Systems (LPG or CNG)

An alternate fuel system which is no longer in use must be completely from the bus.

A) Carburetion Equipment

A fuel filter is required on alternate fuel systems.

B) Container Installation

i) Compressed or liquefied gas containers shall not be mounted in the passenger or driver's compartment.

ii) Container valves, appurtenances and connections shall be mounted in an enclosed compartment.

iii) Containers shall be located at least 36 inches from the entrance door and any emergency exit. Due to the smaller size of Type II school buses, space limitations may sometimes make it impossible to locate a fuel tank further than 36 inches from an exit. A Type II school bus has a gross vehicle weight rating of 10,000 pounds or less as defined in Section 12-800 of the Illinois Vehicle Equipment Law [625 ILCS 5/12-800]. If the original fuel tank for a Type II bus was located within 36 inches from any exit, the alternate fuel container may be located in the same location as the original tank.

C) Identification

The fuel identification decal (see Section 443. Illustration D ~~443-illustration-B~~) shall be displayed near the rear bumper and visible from the rear of the vehicle.

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~~on-the-rear-of-the-school-bus-not-more than-12-inches-above-the-top-of-the-rear bumper-and-within-39-inches-of-the-left side-~~ The decal shall not be placed on any black portion of the bus body.

D) Pipe and Hose
Installation

- i) No fuel supply line shall pass through the driver or passenger's compartment.
- ii) The pressure relief device shall be fabricated so that in the event of stress, the pipe or adaptor will break away without impairing the function of the relief valve.
- iii) If installed, the adaptor connecting the piping system to the pressure relief device shall neither touch nor restrict any movable part of the pressure relief valve.
- iv) The relief valve discharge piping system (piping system) must not be reduced at any point from the relief valve to the point of release into the atmosphere.
- v) The piping system shall be routed to minimize sharp elbows or bends. Installation of any commercially available piping installed to meet the manufacturer's specifications is acceptable. Any fittings that restrict the flow of discharge are prohibited. From the pressure relief device adaptor to the atmosphere, the minimum inside diameter of the piping must measure at least 3/4 of an inch.
- vi) The piping system shall neither block nor hamper the operation of any window or door. The piping system shall preserve widths of passageways, aisles and emergency exits.
- vii) Every portion of the piping system shall

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be gas tight (except the outlet) and shall be able to withstand forces from the discharge when the relief valve is in full open position. If for any reason the discharge outlet becomes blocked, the piping system must be capable of holding the full system pressure.

- viii) To facilitate the removal of accumulated waste, a drain cock shall be installed at the lowest point of the piping system. The drain must be capable of being held open manually and close automatically to prevent expelling LPG if discharged through the relief valve. A weep hole, or other opening that may result in discharged LPG flaming beneath the bus is prohibited.
- ix) The portion of the piping system that leads upward to the atmosphere shall be installed either inside the passenger compartment, on the outside of the bus, or in the body wall between the inner and outer "skins" of the bus body.
- x) Piping on the outside of the body shall be shielded below the window line to prevent "grabbing hold" or "hitching to." However, discharge piping that is located between the windshield and the vent window at the left front corner of the body need not be shielded.
- xi) Any portion of the piping system that is installed either inside the passenger compartment or inside the body wall shall consist of one piece originating below the bus floor and exiting outside the bus roof. Every hole where piping passes through the floor or roof shall be sealed.
- xii) The piping system must terminate above the eave lines of the bus body.
- xiii) The outlet of the piping system shall be

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located at least 36 inches from the air inlet or outlet of a ventilator or similar device installed on or near the roof. A "similar device" includes the fresh air intake of a heating, ventilating or air conditioning system. It does not include a side window that opens near the roof.

xiv) A rain cap is required where the piping system exits into the atmosphere to minimize water or dirt from entering into either the relief valve or its discharge piping. Installation of any commercially available rain cap installed to meet the manufacturer's specifications is acceptable. The cap shall remain in place except when the relief valve operates. The cap shall be installed to minimize the entrance or water or dirt while the vehicle is in motion.

xv) The discharge piping system on a special education school bus shall conform to all provisions of this Part.

REJECT VEHICLE IF:

Propane relief valve/piping system is not properly installed. Alternate fuel system does not meet requirements listed above.

b) GRAB HANDLES

- 1) Exterior
- 2) Interior

PROCEDURES/SPECIFICATIONS:

Shall be of stainless clad steel, installed inside doorway, solidly attached on left side, and as long as practicable.

As instructed by an officer of the Department, draw a 1/2 inch hexagon nut attached to a string through the junction where the grab handle attaches to the lower stepwell.

e) HORN

PROCEDURES/SPECIFICATIONS:

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REJECT VEHICLE IF:

Missing or not solidly attached.

Nut becomes lodged on grab handle. Retrofit kit is required.

PROCEDURES/SPECIFICATIONS:

Must be capable of maintaining inside temperature of 50 degrees. The heater hoses shall be supported to guard against excessive wear due to vibration and shall not interfere with or restrict the operation of any engine function. Any hose in the passenger compartment shall be protected to prevent injury from burns in the event of rupture. Primary heater shall be a high output fresh air type. Heater must be padded if not protected by seat.

The secondary heater may be a recirculating type and located so as not to interfere with aisle space.

REJECT VEHICLE IF:

Heater is missing; in poor working condition; defective hoses, supports or baffles; not firmly attached or padded when required.

PROCEDURES/SPECIFICATIONS:

Open hood and inspect safety catch and hinges for proper operation. Close hood and inspect for proper full closure. Manually inspect latches or remote control for proper operation.

REJECT VEHICLE IF:

Hood does not open or hood latches do not securely hold hood in its proper fully-closed position. Secondary or safety catch does not function properly. Hinge is broken, missing, or not attached to body.

PROCEDURES/SPECIFICATIONS:

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Dual electric horns shall be provided giving an audible warning at a distance of 200 feet and shall be conveniently controlled from the operator's seated position. (Section 12-601 of the Illinois Vehicle Equipment Law)

REJECT VEHICLE IF:

Horn control is missing, defective or not audible.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX G Instruments and Instrument Panel through Whreugh Locked Compartment

a) INSTRUMENTS AND INSTRUMENT PANEL

PROCEDURES/SPECIFICATIONS:

Shall be equipped with the following nonglare illuminated instruments and gauges mounted for easy maintenance and repair and in such a manner that each is clearly visible to the seated driver. An indicator light instead of a pressure or temperature gauge is permissible. (49 CFR 571.101)

1) Speedometer;

2) Odometer;

3) Fuel Gauge;

4) Oil Pressure Gauge;

5) Water Temperature Gauge;

6) Ammeter (voltmeter) with graduated charge and discharge indications;

7) High beam headlight indicator;

8) Directional signal indicator;

9) Air pressure or vacuum gauge (when air or vacuum brakes are used);

10) Eight light flasher indicator;

11) Emergency/Service Brake Indicator.

REJECT VEHICLE IF:

Instrument and/or instrument panel does not operate properly; instruments are missing; inaccurate readings.

PROCEDURES/SPECIFICATIONS:

The ceiling and sidewalls shall be thermally

b) INSULATION

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insulated with a fire-resistant material which shall reduce the noise level and vibrations.

REJECT VEHICLE IF:

Insulation does not meet requirements.

c) LETTERING

1) Exterior

PROCEDURES/SPECIFICATIONS:

The body and chassis manufacturer's name, emblem, or other identification may be displayed (colorless or any color) on any unglazed surface of the bus.

AGENCY NOTE: School buses with interstate authority may display the company's name, city and state of its base and the interstate "MC" number. This lettering must be black in color.

REJECT VEHICLE IF:

Exterior lettering does not meet requirements. Lettering or decals are not distinct, required or allowed. Lettering is obstructed.

A) Front

PROCEDURES/SPECIFICATIONS:

"SCHOOL BUS" in black at least eight inches (200 mm) high placed as high as possible on body or sign attached thereto. Vehicle number assigned for identification shall be a minimum of four inches (100 mm) high and located as high as practicable. Decals are permissible. All lettering must be black. (Section 12-802 of the Illinois Vehicle Equipment Law)

Exception: All buses purchased prior to September 1974, may have roof mounted "SCHOOL BUS" sign with flashing red lights.

REJECT VEHICLE IF:

Lettering does not meet requirements.

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Lettering is not distinct, required or allowed. Lettering is obstructed.

PROCEDURES/SPECIFICATIONS:

Either the owner's name or the school district number or both must be at least four inches high, approximately centered and as high as practicable below window line. (Section 12-802 of the Illinois Vehicle Equipment Law). The above required lettering must be located on one line.

B) Left

If bus is equipped with a side emergency door, it must be labelled "EMERGENCY EXIT" in letters at least two inches high at the top of the emergency door, or directly above, or on the door glazing.

Optional: Vehicle number assigned for identification may be displayed at a minimum height of four inches (100 mm).

Decals are permissible. All lettering must be black.

For buses manufactured on or after May 2, 1994, "EMERGENCY DOOR" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, any emergency exit door. For any emergency window exit, "EMERGENCY EXIT" must be located at the top of, or directly above, or at the bottom of the emergency window exit in letters at least 1.95 inches (5 cm) high. The labelling must be of a color that contrasts with its background. (47 CFR 571.217) (57-PR 49#137-November-27-1992)

REJECT VEHICLE IF:

Lettering does not meet requirements. Lettering is not distinct, required, or allowed. Lettering is obstructed.

PROCEDURES/SPECIFICATIONS:

C) Rear

"SCHOOL BUS" in black lettering at least eight

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inches (200 mm) high placed as high as possible on body or sign attached thereto. (Section 12-802 of the Illinois Vehicle Equipment Law) "EMERGENCY DOOR" or "EMERGENCY EXIT" in lettering at least two inches high at top of emergency door, or directly above, or on door glazing.

"EMERGENCY EXIT" (for buses without rear emergency door) in letters at least two inches high directly below rear emergency window, or on exit glazing. An arrow, at least 5.9 inches in length and 3/4 inch in width indicating direction each release mechanism should be turned to open door or window located within 5.9 inches of release handle, in black. Vehicle number assigned for identification shall be a minimum 4 inches (100 mm) high. Decals are permissible. All lettering must be black.

If bus uses alternate fuel (e.g., propane, CNG), vehicle must be marked with identifying decal. Such decal shall be diamond shaped with white or silver scotchlite letters one inch in height and a stroke of the brush at least 1/4 inch wide on a black background with a white or silver scotchlite border bearing either the words or letters:

"PROPANE" = If propelled by liquefied petroleum gas other than liquefied natural gas; or

"CNG" = If propelled by compressed natural gas. The sign or decal shall be maintained in good legible condition.

The alternate fuel decal shall be displayed near the rear bumper and visible from the rear of vehicle. (See Section 443. Appendix F 6(a)(8) and Section 443. Illustration D) (Section 12-704.3 of the Illinois Vehicle Equipment Law)

Exception: In case of "push" or "pull" type of release mechanism where the direction of

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movement to open emergency exit cannot be shown by one arrow, either three or four straight arrows shall be placed equally spaced as practicable around the object to be pushed or pulled, with the head of each arrow adjacent to and pointing directly at that object. Each arrow shall be the same color and, when practicable, the same size as though it were a single arrow. In addition, the pertinent word "PUSH" or "PULL" shall be displayed near that object.

AGENCY NOTE:

If adequate space is not available in required positions for emergency door lettering, lettering may be immediately below window level.

For buses manufactured on or after May 2, 1994, "EMERGENCY DOOR" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, any emergency exit door. For any emergency window exit, "EMERGENCY EXIT" must be located at the top of, or directly above, or at the bottom of the emergency window exit in letters at least 1.95 inches (5 cm) high. The labelling must be of a color that contrasts with its background. (49 CFR 571.217) ~~457-PR-494137~~
~~November-27-1992~~

REJECT VEHICLE IF:

Lettering does not meet requirements.

Lettering or arrows are not distinct, required, or allowed. Lettering is obstructed.

Buses using alternate fuels are not properly marked with decal. Decal is in wrong location.

PROCEDURES/SPECIFICATIONS:

D) Right

Either the owner's name or the school district number or both must be at least four inches high, approximately centered and as high as practicable below the window line. (Section 12-802 of the Illinois Vehicle

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Equipment Law) The above required lettering must be located on one line.

The following lettering must be at least two inches high:

- 1) *The word "CAPACITY," or the abbreviation "CAP.," and the rated passenger capacity followed by the word "PASSENGERS," or the abbreviation "PASS.," shall be displayed on the outside of the body near the rear edge of the service entrance.*

- 2) *Empty weight in pounds shall be shown on bus. (Section 12-802 of the Illinois Vehicle Equipment Law)*

Manufacturer's identification name, emblem, or number(s) may be displayed but not on service door glazing. Manufacturer's name, emblem, etc. must not interfere with required lettering. Decals are permissible. All lettering must be black.

~~Optional route identification markers (numbers or symbols) are allowed--they must be located in either the first window or on the bus body directly behind the service entrance door--Route markers affixed to the bus body must meet paint requirements and must not obstruct any required lettering.~~

For buses manufactured on or after May 2, 1994, "EMERGENCY DOOR" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, any emergency exit door. For any emergency window exit "EMERGENCY EXIT" must be located at the top of, or directly above, or at the bottom of the emergency window exit in letters at least 1.95 inches (5 cm) high. The labelling must be of a color that contrasts with its background. (49 CFR 571.217) 457-PR

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REJECT VEHICLE IF:

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Lettering does not meet requirements. Lettering or decals are not distinct, required, or allowed. Lettering is obstructed.

2) Interior

A) Front

PROCEDURES/SPECIFICATIONS:

Each letter or numeral must be at least two inches (50 mm) high and contrasting sharply with background. A colorless background strip (such as white, aluminum or silver) may be used. Decals are permitted.

On right side: Either "CAPACITY" or "CAP." plus numerals showing rated passenger capacity, followed by either "PASSENGER" or "PASS."

As nearly as practicable opposite the center of aisle, but to right of inside mirror, either "NO STANDEES" or "NO STANDEES PERMITTED."

The vehicle's length (rounded up to the nearest whole foot) shall be displayed on the bulkhead clearly within the driver's view. (For example: vehicle length of 39.1 feet will be displayed as 40 feet.)

A red cross formed of five equal squares with words "FIRST-AID KIT" shall be displayed on the compartment door, or cover, if the first-aid kit is to be carried in the locked compartment.

The words "FIRE EXTINGUISHER" shall be displayed on the compartment door, or cover, if the fire extinguisher is to be carried in the locked compartment.

Exception: On a bus with chassis (incomplete vehicle) manufactured in March 1977 or earlier, "NO STANDEES" need not be opposite center of aisle and the word "PASSENGERS," or "PASS.," is optional.

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REJECT VEHICLE IF:

Lettering does not meet requirements.
Lettering is not black, distinct, required or allowed.

After January 1, 1999, vehicle length is not displayed properly or is absent.

B) Left PROCEDURES/SPECIFICATIONS:

A "Stop Line" in contrasting color is required between 5.9 and 6.1 inches below the top of the window opening. The line shall be located between each window that slides downward.

If bus is equipped with a side emergency door it is to be labelled "EMERGENCY EXIT" in letters at least two inches high directly above the door.

If bus is equipped with side emergency windows, they are to be labelled "EMERGENCY EXIT" in letters at least two inches high directly below the window.

An arrow indicating the direction in which to move release mechanism handle(s) to open emergency exit and operating instructions shall be painted or permanently affixed within six inches of each release handle.

For buses manufactured on or after May 2, 1994, "EMERGENCY DOOR" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, any emergency exit door. For any emergency window exit, "EMERGENCY EXIT" must be located at the top of, or directly above, or at the bottom of the emergency window exit in letters at least 1.95 inches (5 cm) high. The labelling must be of a color that contrasts with its background. Concise operating instructions describing the motions necessary to unlatch and open the door must be located within 5.85 inches (15 cm) of the release mechanism on the inside surface of the bus. These

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operating instructions shall be in letters at least .39 inches (1 cm) high and of a color that contrasts with its background.
(49 CFR 571.217) (57-FR-494137-November 27-1992)

REJECT VEHICLE IF:

Lettering does not meet requirements. Line or line and lettering is not distinct, required, or allowed.

C) Rear PROCEDURES/SPECIFICATIONS:

"EMERGENCY DOOR" in letters at least two inches high directly over emergency door exit. "Emergency door operating instructions" applied to door. Arrow or arrows required unless "push or pull" type of release mechanism is used.

In the case of a "push" or "pull" type of release mechanism where the direction of movement to open the emergency exit cannot be shown by one arrow, either three or four straight arrows shall be placed as equally spaced as practicable around the object to be pushed or pulled, with the head of each arrow adjacent to and pointing directly at that object. Each arrow shall be the same color and, when practicable, the same size as though it were a single arrow. In addition, the pertinent word "PUSH" or "PULL" shall be displayed near that object.

For buses manufactured on or after May 2, 1994, "EMERGENCY DOOR" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, any emergency exit door. For any emergency window exit, "EMERGENCY EXIT" must be located at the top of, or directly above, or at the bottom of the emergency window exit in letters at least 1.95 inches (5 cm) high. The labelling must be of a color that contrasts with its background. Concise operating instructions describing the motions necessary to unlatch and open the door must be located within 5.85

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inches (15 cm) of the release mechanism on the inside surface of the bus. These operating instructions shall be in letters at least .39 inches (1 cm) high and of a color that contrasts with its background.

(49 CFR 571.217) ~~†57-PR-494†37~~
November-27-1992†

REJECT VEHICLE IF:

Lettering does not meet requirements.
 Lettering is not distinct, required, or allowed.

D) Right

PROCEDURES/SPECIFICATIONS:

A "Stop Line" in contrasting color is required between 5.9 and 6.1 inches below the top of the window opening. The line shall be located between each window that slides downward. Decals are permitted.

"EMERGENCY EXIT" shall be on or immediately below emergency window (if installed).

Instructions for emergency operation of a power operated door shall be affixed permanently on the inside of the door in letters at least .5 inch high. Decals are permitted.

Optional route identification markers (numbers or symbols) are allowed. They must be located in either the first window or on the bus body directly behind the service entrance door. If route identification markers are installed in permanent holder or bracket, the holder or bracket must have rounded edges or be padded.

For buses manufactured on or after May 2, 1994, "EMERGENCY DOOR" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, any side emergency door. For any emergency window exit "EMERGENCY EXIT" in letters at least 1.95 inches (5 cm) high must be located at the top of, or directly above, or at the

d) LIGHTS

1) Back Up

PROCEDURES/SPECIFICATIONS:

Two white lights shall be provided. Must meet

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bottom of the emergency window exit. The labelling must be of a color that contrasts with its background. Concise operating instructions describing the motions necessary to unlatch and open the exit must be located within 5.85 inches (15 cm) of the release mechanism on the inside surface of the bus. These instructions shall be in letters at least .39 inches (1 cm) high and of a color that contrasts with its background.

(49 CFR 571.217) ~~†57-PR-494†37~~
November-27-1992†

REJECT VEHICLE IF:

Lettering does not meet requirements. Line or line and lettering is not distinct, required, or allowed. Lettering is obstructed.

E) Ceiling PROCEDURES/SPECIFICATIONS

For buses manufactured on or after May 2, 1994, any roof exit must be labelled "EMERGENCY EXIT" in letters at least 1.95 inches (5 cm) high, of a color that contrasts with its background. The labelling must be located on an inside surface of the exit, or within 11.7 inches (30 cm) of the roof exit opening. Concise operating instructions describing the motions necessary to unlatch and open the emergency exit shall be located within 5.85 inches (15 cm) of the release mechanism. These instructions shall be in letters at least .39 inches (1 cm) high and of a color that contrasts with its background.

(49 CFR 571.217) ~~†57-PR-494†37~~
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REJECT VEHICLE IF:

Lettering does not meet requirements.

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federal standards. (49 CFR 571.108)

Exception: All buses purchased prior to September 1974 are exempt; however, for any unit equipped with back up lamps, they must be operational.

REJECT VEHICLE IF:

Back up lights do not function; illegal color; broken lens.

2) Clearance,
Front

PROCEDURES/SPECIFICATIONS:

Two clearance lights (amber) at highest and widest portions of the body. Must conform to federal standards. (49 CFR 571.108) May be combined with side marker lamp.

Exception: Buses less than 80 inches wide or 25 20 feet long are exempt. (Section 12-202(a) of the Illinois Vehicle Equipment Law)

REJECT VEHICLE IF:

Front clearance lights do not function; improper color; broken lens.

3) Clearance,
Rear

PROCEDURES/SPECIFICATIONS:

Two clearance lights (red) mounted at highest and widest parts of body. Must conform to federal standards. (49 CFR 571.108)

Exception: Buses less than 80 inches wide or 20 feet long are exempt. (49 CFR 571.108) {Section-12-202(a)-of-the-illinois-vehicle Equipment-law}

REJECT VEHICLE IF:

Rear clearance lights do not function; improper color; broken lens.

4) Identification,

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Front

PROCEDURES/SPECIFICATIONS:

Three amber lights mounted at center front near top of body above "SCHOOL BUS" sign. Must conform to federal standards. (49 CFR 571.108)

Exception: Buses less than 80 inches wide or 20-feet-long are exempt. (49 CFR 571.108) {Section-12-202(a)-of-the-illinois-vehicle Equipment-law}

REJECT VEHICLE IF:

Front cluster lights do not function properly; improper color; broken lens.

5) Identification,
Rear

PROCEDURES/SPECIFICATIONS:

Three red lights mounted at center rear near top of body either above or below "SCHOOL BUS" sign. Must conform to federal standards. (49 CFR 571.108)

Exception: Buses less than 80 inches wide or 25 20 feet long are exempt. (Section 12-202(a) of the Illinois Vehicle Equipment Law)

REJECT VEHICLE IF:

Rear cluster lights do not function properly; improper color; broken lens.

6) Flashing
Lights

PROCEDURES/SPECIFICATIONS:

All school buses purchased-after-December-31-1975, shall be equipped with an eight light flashing signal system with two red and two amber flashing signal lamps mounted above windshield spaced no less than three feet apart and at same horizontal level. The rear of the vehicle shall be equipped with two red and two amber flashing signal lamps mounted and spaced no less than three feet apart and at same horizontal level. Minimum diameter 5 1/2 inches sealed beam. Effective

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December 31, 1978, all school-buses shall be equipped with the eight-light-flashing-signal system described in the above paragraph.
(Section 12-805 of the Illinois Vehicle Equipment Law)

The red lights shall be located on the outside perimeters of the bus and the yellow lights must be located between the red lights towards the center.

A separate circuit breaker and a master switch shall be provided for this signal system. When in its "off" position this master switch shall prevent the following:

- 1) Operation of the 8 lamp system;
- 2) Operation of any lamps mounted on the stop signal arm; and
- 3) Operation of any electrically controlled mechanism that would cause the stop signal arm to extend.

The controls for the eight lamp flashing signals, the stop signal arm and the service entrance door shall be arranged so as to provide for the following sequence of operations while the engine is running.

- 1) Place the alternately flashing signal system master switch in its "off" position. Close and secure the service entrance door. Actuate the alternately flashing signal system hand or foot control. The alternately flashing signal lamps of either yellow (amber) or red color shall not go on.
- 2) With the master switch "off" and the hand or foot control actuated, open the service door. The alternately flashing signals of either color shall not go on and the stop signal arm shall not extend.
- 3) Deactivate the hand or foot control. Place the alternately flashing signal

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system master switch in its "on" position. Close and secure the service door. Open the service door. The alternately flashing signal lamps of either color shall not go on and stop signal arm shall not extend.

- 4) Close and secure the service door. Actuate the alternately flashing signal system by hand or foot control. A yellow pilot lamp in the view of the driver and the yellow alternately flashing signals shall go on.

- 5) Desecure but do not open the service door. The yellow pilot and the yellow alternately flashing signals shall go off. A red pilot lamp in the view of the driver and the red alternately flashing signals shall go on. The stop signal arm shall extend.

- 6) Fully open the service door. The red pilot and red signals shall remain on and the stop arm shall remain extended.

- 7) Close but do not secure the service door. The red pilot and red signals shall remain on and the stop arm shall remain extended.

- 8) Open the service door. The red pilot and red signals shall remain on and the stop arm remain extended.

- 9) Close and secure the service door. The red pilot and red signals shall go off and the stop arm shall retract.

- 10) Open the service door. Alternately flashing signals of either color shall not go on and the stop arm shall not extend.

REJECT VEHICLE IF:

Flashing lights do not function properly;

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broken lens or improper lens color.
Pilot lights do not function.

7) Headlights

PROCEDURES/SPECIFICATIONS:

Shall have at least two headlamps with at least one mounted on each side of the front of the bus. Lamp body must be securely attached. Lenses, reflectors, bulbs, etc., must be in good condition, properly aimed and fill required intensity. Check for bulb burnout. Verify high and low beams are functioning. Shall conform to federal standards. (49 CFR 571.108)

REJECT VEHICLE IF:

Headlights do not meet requirements.
High beam/low beam do not function.

8) Interior

PROCEDURES/SPECIFICATIONS:

Adequate to illuminate aisles, step well, and emergency passageways.

REJECT VEHICLE IF:

Interior lights do not provide adequate lighting; cracked or broken lenses; improper color.

9) License Plate

PROCEDURES/SPECIFICATIONS:

Adequate white light to illuminate license plate. (49 CFR 571.108) May be combined with one of the tail lights.

REJECT VEHICLE IF:

License plate light does not provide adequate lighting; cracked or broken lenses; improper color.

10) Parking Lights

PROCEDURES/SPECIFICATIONS:

Shall be one lamp on each side; white or amber

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color. (49 CFR 571.108)

All buses 80 or more inches in overall width which are equipped with side marker lamps, clearance lamps, and intermediate side marker lamps are exempt from having parking lights. However, if vehicle is equipped with parking lights, they must be operational.
(49 CFR 571.108) ~~(Section 12-202 of the Illinois Vehicle Equipment Law)~~

REJECT VEHICLE IF:

Parking lights do not meet requirements; improper color; cracked or broken lenses.

11) Sidemarker,
LeftPROCEDURES/SPECIFICATIONS:

Two lamps: one amber at front and one red at rear, mounted as high as practicable. Shall conform to federal standards. (49 CFR 571.108)

Exception: A bus manufactured in August 1974 or earlier is exempt.

~~Buses less than 80 inches wide or 20 feet long are exempt. (Section 12-202(a) of the Illinois Vehicle Equipment Law)~~

REJECT VEHICLE IF:

Left marker lights do not meet requirements; do not function properly; improper color; cracked or broken lenses.

12) Sidemarker,
RightPROCEDURES/SPECIFICATIONS:

Two lamps: one amber at front and one red at rear, mounted as high as practicable. Shall conform to federal standards. (49 CFR 571.108)

Exception: A bus manufactured in August 1974 or earlier is exempt.

~~Buses less than 80 inches wide or 20 feet long are exempt. (Section 12-202(a) of the~~

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Illinois-Vehicle-Equipment-LawREJECT VEHICLE IF:

Right marker lights do not meet requirements; improper color; cracked or broken lenses.

PROCEDURES/SPECIFICATIONS:

At least the nosings of the service entrance steps and the floor around the stepwell shall be automatically illuminated with white light when the ignition is on and the service door is open.

No lamp shall be installed so as to shine directly into the eyes of a pupil moving through the service entrance and looking at the service steps.

Exception: On a bus with chassis (incomplete vehicle) manufactured in March 1977 or earlier, a stepwell light that does not illuminate all the step nosings or does not illuminate the floor around the service entranceway may be used.

REJECT VEHICLE IF:

Step well light does not meet requirements; improper color; cracked or broken lenses.

PROCEDURES/SPECIFICATIONS:

Two red lights mounted at same height and as high as practicable below window line. Seven inch minimum diameter or 19 square inches. Not less than three feet apart laterally. Must conform to federal standards. (49 CFR 571.108)

For buses manufactured on or after September 1, 1993 with an overall width of less than 80 inches, a high mounted stop lamp is required (may be two lamps).

REJECT VEHICLE IF:

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Stop lights do not meet requirements; improper color; cracked or broken lenses; do not function properly.

15) Strobe
(optional)PROCEDURES/SPECIFICATIONS:

If installed, lamp must comply with following requirements:

- 1) *One per bus;*
- 2) *Shall emit white or bluish/white light;*
- 3) *Shall be visible from any direction;*
- 4) *Shall flash 60 to 120 times per minute;*
- 5) *Shall be visible in normal sunlight;*
- 6) *Mounted at or behind center of rooftop and equal distance from each side.*
(Section 12-815 of the Illinois Vehicle Equipment Law)

Distance from rear will be calculated by measuring height of filament and multiplying same by 30 inches- (i.e., filament filament height x 30 = distance from rear of bus where lamp is to be located).

REJECT VEHICLE IF:

If installed, strobe does not meet installation requirements; does not function properly; improper color; cracked or broken lenses.

Shielding is present.

PROCEDURES/SPECIFICATIONS:

Two red lights mounted with centers not less than 40 inches nor more than 50 inches from surface on which vehicle stands. Must conform to federal standards. [49 CFR 571.108]

REJECT VEHICLE IF:

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Tail lights do not meet requirements; do not function properly; improper color; cracked or broken lenses.

- 17) Turn
Signal,
Left
(armored)

PROCEDURES/SPECIFICATIONS:

"Armored" ~~flush-mounted~~ "armored" type amber clearance lamp mounted behind driver's seat. Functions with regular turn signal.

Exception: All buses purchased prior to September 1974 are exempt from having left armored turn signals.

Exceptions: Buses with capacity rating of less than 33 passengers are exempt. Buses manufactured in August 1974 or earlier are exempt. Buses that measure less than 80 inches wide or 20 feet long are exempt.

REJECT VEHICLE IF:

Left turn signal does not meet requirements; does not function properly; improper color; cracked or broken lenses.

- 18) Turn
Signal,
Right
(armored)

PROCEDURES/SPECIFICATIONS:

"Armored" ~~flush-mounted~~ "armored" type amber clearance lamp mounted at approximately seat level and rub rail height just to rear of service door. Functions with regular turn signal lamps.

Exception: All buses purchased prior to September 1974 are exempt from having right armored turn signals.

Exceptions: Buses with capacity rating of less than 33 passengers are exempt. Buses manufactured in August 1974 or earlier are exempt. Buses that measure less than 80

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inches wide or 20 feet long are exempt.

REJECT VEHICLE IF:

Right turn signal does not meet requirements; does not function properly; improper color; cracked or broken lenses.

- 19) Turn
Signal,
Front

PROCEDURES/SPECIFICATIONS:

One amber or white lens on each side, at or near the front, at the same height and as far apart as practicable. Must meet federal standard 49 CFR 571.108.

Operate turn signals and four-way warning hazards to check performance of front and rear lights.

REJECT VEHICLE IF:

Front turn signal does not meet requirements; does not function properly; improper color; cracked or broken lenses.

Four-way warning hazards do not operate properly.

- 20) Turn
Signal,
Rear

PROCEDURES/SPECIFICATIONS:

One red or amber lens on each side at the same height and as far apart as practicable below window. Must meet federal standard 49 CFR 571.108.

REJECT VEHICLE IF:

Rear turn signal does not meet requirements; improper color; does not function properly; cracked or broken lenses.

- e) LOCKED
COMPARTMENT

PROCEDURES/SPECIFICATIONS:

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Fire extinguisher, first-aid kit, and warning devices may be stored either in a closed, unlocked compartment or under lock and key, provided the locking device is connected with an automatic warning signal that will alert driver when compartment is locked. The automatic alarm shall be both audible and visible to the seated driver. The alarm shall alert the driver when the engine is running and the compartment is locked and cannot be readily opened without using a tool, key, or combination. An alarm cut-off or "squelch" control is prohibited.

Each safety item inside the compartment shall be named on the outside of the compartment cover, or door. In addition, a RED CROSS formed of five equal squares shall be displayed on the cover when the first aid kit is inside the compartment.

Exception: A bus with chassis manufactured in March 1977 or earlier need not have a visible alarm.

REJECT VEHICLE IF:

Locked compartment is not readily accessible to driver; lettering or identification missing; alarm does not function properly when compartment is locked and vehicle is running.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443. APPENDIX H Mirrors through ~~through~~ Rub Rails

a) MIRRORS

PROCEDURES/SPECIFICATIONS:

Every required mirror shall be of reflecting material protected from abrasion, scratching, and corrosion. Mirror shall be firmly installed on stable supports so as to give a clear, stable, reflected view. Mirrors must meet all requirements of 49 CFR 571.111 to provide the required field of view.

Mirrors shall be adjustable so as to give and maintain its required field of view:

Convex crossover mirrors can be combined with either the right or left side safety mirrors provided the convex mirror meets the field of view and size requirements established in this subsection or in 49 CFR 571.111.

REJECT VEHICLE IF:

Mirrors do not meet requirements; defective; excessively clouded; ~~not adjustable~~; not securely attached; cracked or broken glass.

1) Exterior

A) Rear View

Driving

PROCEDURES/SPECIFICATIONS:

Shall be mounted outside on the left and right sides of the bus. Must give seated driver a view to the rear along each side of the bus. Must be at least 50 square inches of usable flat rectangular reflecting surface on each side. (49 CFR 571.111)

If the rear view driving mirror does not provide the required field of view, a convex driving mirror must be installed to expand the driving view to the rear. However, the usable flat reflecting surface must be rectangular and must maintain at least 50 square inches.

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REJECT VEHICLE IF:

Rear view driving mirror does not meet requirements; defective; excessively clouded; not adjustable; not securely attached; cracked or broken glass.

B) Right
Side
Safety

PROCEDURES/SPECIFICATIONS:

An outside convex mirror, either alone or in combination with the crossover mirror system, shall give the seated driver a view of the roadway along the right side of the bus between the most forward surface of the right front tire and the rear of the rear bumper. The projected reflecting surface of this convex mirror shall be at least 40 square inches (7 1/8 inches diameter if a circle).

Extra-wide-angle convex mirror heads are permissible on right front corner only.

Exception: A right safety mirror is optional on a bus manufactured in August 1974 or earlier.

REJECT VEHICLE IF:

Right side safety mirror does not meet requirements; defective; excessively clouded; ~~not-adjustable~~; not securely attached; cracked or broken glass.

C) Left
Side
Safety

PROCEDURES/SPECIFICATIONS:

A convex mirror is required if the left rear view driving mirror system does not give the seated driver a reflected view of the roadway along the left side of the bus between the front edge of the driver's seat (in most forward position) and the rear of the rear bumper. The convex mirror shall be installed so that either alone or in combination with

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the rear view driving mirror gives the seated driver the proper view.

Exception: A left safety mirror is optional on a bus with chassis manufactured in March 1977 or earlier.

REJECT VEHICLE IF:

Left side safety mirror does not meet requirements; defective; excessively clouded; ~~not-adjustable~~; not securely attached; cracked or broken glass.

PROCEDURES/SPECIFICATIONS:

An outside convex mirror shall give the seated driver a view of the front bumper and the area of roadway in front of the bus. The projected reflecting surface of this mirror shall be at least 40 square inches (7 1/8 inch diameter if a circle). (49 CFR 571.111)

Exception: If the seated driver of a forward control bus has a direct view of the front bumper and the area of roadway in front of the bus, a crossover mirror is optional.

REJECT VEHICLE IF:

Crossover mirror does not meet requirements; defective; excessively clouded; not adjustable; not securely attached; cracked or broken glass.

PROCEDURES/SPECIFICATIONS:

All buses purchased during and after September 1974 must have a clear view safety glass mirror, metal backed and framed with rounded corners and edges which shall be padded. Shall afford a good view of the interior and roadway to the rear.

All buses purchased prior to September 1974 must have a rear view mirror.

REJECT VEHICLE IF:

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Interior mirror does not meet requirements; defective; excessively clouded; not adjustable; not securely attached; cracked or broken glass.

b) PAINT
REQUIREMENTS

PROCEDURES/SPECIFICATIONS:

The exterior of the body, excluding required rub rail and lettering, shall be painted a uniform color: National School Bus Glossy Yellow. Required rub rail and lettering must be black. Additional rub rails may either be black or yellow. The front and rear bumpers and wheels may be black or manufacturer's colors. Grilles and hub caps may be a bright finish (chrome, anodized aluminum, etc.). Roofs may be white. (Section 12-801 of the Illinois Vehicle Equipment Law)

For buses manufactured on or after May 2, 1994, each opening for a required emergency exit must be outlined around its outside perimeter with a minimum 1 inch (2.54 cm.) wide yellow retroreflective tape. This yellow retroreflective tape must be on the exterior surface of the bus. Required yellow retroreflective tape can be located on the rear bumper provided the space between the top of the bumper and bottom of the door is not adequate to accommodate the tape. (49 CFR 571.217) (53-PR-49419, November-87-1993)

Optional: A white roof may extend only to within 6 inches above the drip rails on the sides of the body. The front and rear roof caps shall remain National School Bus Glossy Yellow.

Optional: Black area around flashing lights is permitted. Black area must not interfere with "SCHOOL BUS" lettering.

Optional: ReflectORIZED tape is permitted provided it reflects the same color that is applied to and cannot be located on any

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bumper unless the bus was manufactured on or after May 2, 1994 (see above paragraph).

Exception: Hoods may be lusterless black or lusterless school bus yellow.

REJECT VEHICLE IF:

Paint does not meet color requirements; paint in poor condition (i.e., faded, peeling or rusted).

Optional black area around flashers interferes with required lettering.

Optional or required reflectORIZED tape does not meet color requirements or is located on the bumper.

c) PROJECTIONS

1) Exterior

PROCEDURES/SPECIFICATIONS:

Entire rear of bus must be nonhitchable.

Exceptions: A bus manufactured in October 1978 or earlier is exempt from nonhitchable bumpers. A bus manufactured in August 1974 or earlier is exempt from nonhitchable projections. Every school bus, however, must have a nonhitchable door handle.

REJECT VEHICLE IF:

Exterior projections do not comply with nonhitchable projection requirements.

PROCEDURES/SPECIFICATIONS:

Interior shall be free of all dangerous projections.

Optional equipment (e.g., video camera) that is located in the bulkhead area of the bus and not flush with the interior walls must meet the following requirements:

2) Interior

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- 1) Must not interfere with occupant's entering or exiting the bus.
- 2) Must not be located in driver's head impact zone.
- 3) Must not obstruct required lettering.

Additional projections (e.g., external speakers, air conditioners) located within 59 inches from the floor in-the head-impact-zone shall be padded to prevent injury. This includes inner lining of ceiling and walls. Installation of book racks is not permissible.

Exception: All buses purchased prior to September 1974 may be equipped with book racks. However, if book racks are present, they shall be above side windows and shall not extend forward of the front seat or across or above the emergency door. Racks must be free of projections likely to cause injury.

Exception: All buses purchased prior to September 1974 are exempt from padding on interior projections.

REJECT VEHICLE IF:

Optional equipment in bulkhead does not meet requirements.

Remaining interior projections are not padded (e.g., external speakers). Book racks are present.

Flush mounted speakers are exempt from padding requirements.

For buses purchased prior to September 1974, book racks do not meet requirements.

PROCEDURES/SPECIFICATIONS:

- 1) Front

d) REFLECTORS

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Two yellow rigid or sheet type (tape) front reflex reflectors shall be attached securely and as far forward as practicable. (Section 12-202 of the Illinois Vehicle Equipment Law) They shall be located between 15 and 60 inches above the roadway at either fender, cowl, or body and installed so as to mark the outer edge of the maximum width of the bus. No part of the required reflecting material may be obscured by a lamp, mirror, bracket, or any other portion of the bus. No part of the required reflecting material may be more than 11.8 inches (300 mm) inboard of the outer edge of the nearest rub rail (12 inches on a bus with chassis manufactured in March 1977 or earlier). The reflector may be any shape (e.g., square, rectangle, circle, oval, etc.). A rigid type reflex reflector may be any size if permanently marked either DOT, SAE A, or SAE J 594; otherwise, it shall display at least seven square inches of reflecting material (about 3 inch diameter if a solid circle).

A sheet type (tape) reflex reflector may conform to the surface on which it is installed but its forward projected reflecting area shall be at least eight square inches.

Exception: *Buses that measure 80 inches wide or less or that measure 25 feet long or less are exempt.* (Section 12-202(a) of the Illinois Vehicle Equipment Law)

REJECT VEHICLE IF:

Missing or damaged reflective material; not located or positioned as required.

PROCEDURES/SPECIFICATIONS:

- 2) Left Side

One amber at or near the front and one red at or near the rear. Mounted at a height not less than 15 inches and not more than 60 inches above the surface of the road. On sides of buses 20 feet or more in length, one amber as near center as practicable must

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also be provided. (Section 12-202 of the Illinois Vehicle Equipment Law) Minimum three inches in diameter.

REJECT VEHICLE IF:

Missing or damaged reflective material; not located or positioned as required.

3) Right side

PROCEDURES/SPECIFICATIONS:

One amber at or near the front and one red at or near the rear. Mounted at a height not less than 15 inches and not more than 60 inches above the surface of the road. On sides of buses 20 feet or more in length, one amber as near center as practicable must also be provided. (Section 12-202 of the Illinois Vehicle Equipment Law) Minimum three inches in diameter.

REJECT VEHICLE IF:

Missing or damaged reflective material; not located or positioned as required.

4) Rear

PROCEDURES/SPECIFICATIONS:

Two red reflectors on rear body within 12 inches of lower right and lower left corners. (Section 12-202 of the Illinois Vehicle Equipment Law) Minimum three inches in diameter.

Exception: Buses that measure 80 inches wide or less or that measure 25 feet long or less are exempt. (Section 12-202(a) of the Illinois Vehicle Equipment Law)

REJECT VEHICLE IF:

Missing or damaged reflective material; not located or positioned as required.

e) RUB RAILS

PROCEDURES/SPECIFICATIONS:

There shall be one rub rail located approximately at seat level which shall

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extend from the rear of the entrance door on both sides, except at functioning doors, to a point of curvature at the rear of the body. Rub rails shall be constructed of 16-gauge longitudinally corrugated or ribbed steel, ventilated four inches minimum width, and securely fastened to the body by bolts, rivets, or welding.

Rub rails are not required on Type II service and driver's entrance doors; however, if installed, they must meet same requirements as above.

REJECT VEHICLE IF:

Rub rails are missing; not firmly attached; incorrect color; or incorrect number of rails.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX I Seat Belts through Thorough Steps

a) SEAT BELTS

PROCEDURES/SPECIFICATIONS:

A seat belt shall be installed for the driver (Section 12-807 of the Illinois Vehicle Equipment Law). Seat belts shall be installed for each pupil as required by 49 CFR 571.222. At all times, each seat belt shall be readily available for quick and easy use. All retractors installed shall be automatic locking type. Each belt assembly shall be clean. Belt material, buckle, tongue, etc., of each driver's belt shall remain above floor when not in use.

Exception: On a bus with incomplete vehicle (chassis) manufactured in March 1977 or earlier, pupil belts are not required.

Exception: On a bus manufactured in August 1974 or earlier, driver's belts, etc., need not remain above floor.

REJECT VEHICLE IF:

Seat belts are not secured, not adjustable, cracked, broken, frayed, torn or dirty. Retractor or buckle does not operate properly.

b) SEAT, DRIVER'S

PROCEDURES/SPECIFICATIONS:

The driver's seat shall be rigidly positioned and have a forward and backward adjustment without the use of tools or other nonattached devices.

Seat padding and covering shall be in good condition (i.e., free from holes and tears). Seat cushions shall be securely fastened to the seat frame.

REJECT VEHICLE IF:

Driver's seat is not securely anchored to floor; in poor condition; adjustment mechanism does not function properly.

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c) SEATS, SEAT PASSENGER

PROCEDURES/SPECIFICATIONS:

For buses purchased after September 1974 all seats shall have a minimum depth of 14 inches and a minimum back rest height of 20 inches with a 13 inch allowable average hip room in determining seating capacity. All seats shall be forward facing and securely fastened to part or parts of bus which support them. No bus shall be equipped with jump seats or portable seats. Child restraint systems (i.e., car seats) are allowed. They must be installed according to the restraint's manufacturer's specifications. The center-to-center seat spacing shall be no more than 24 inches, measured from the seating reference point to the seat back or guard barrier in front of the seat. Padding and covering shall be of fire resistant material. Minimum 36 inch headroom for sitting position above top of undeepressed cushion line on all seats (measured vertically not more than seven inches from side wall at cushion height and at front and rear center of cushion). Backs of all seats of similar size shall be of the same width at top and the same height from floor and shall slant at the same angle with the floor. The top and side rails and seat backs shall be padded to cushion level. Seat padding and covering shall be in good condition (i.e., free from holes and tears). Seat cushions shall be securely fastened to the seat frame. (49 CFR 571.222)

Exception: All buses purchased prior to September 1974 and after January 1, 1972, shall have a seating plan for 16 pupils consisting of four rows of 30 inch forward facing seats with a minimum 12 inch aisle down the center. No jump or portable seats allowed. No seat or other object placed in the bus which restricts passageway to emergency door to less than 12 inches.

Exception: Those vehicles used as a school bus by school districts and private

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contractors prior to January 1, 1972, and are still in their possession that had previously passed a school bus safety inspection can still be utilized if they continue to meet the inspection requirements that were in effect at that time. These vehicles will not have to be brought up to the above standards.

A flip-up seat may be located only adjacent to any side emergency door. For buses manufactured on or after September 1, 1994 the flip-up seat must conform to the following:

- 1) The seat must be designed so that, when in the folded position, the seat cushion is flat against the seat back to prevent a child's limb from becoming lodged between the seat cushion and seat back.
- 2) The seat must be designed to discourage a child from standing on the seat cushion when in the folded position.
- 3) The working mechanism under the seat must be covered to eliminate any tripping hazard.

- 4) All sharp metal edges on the seat must be padded to prevent any snagging hazard.

- 5) ~~No portion of a seat frame or seat bottom may extend past door opening.~~

- 5) ~~6) No portion of the door latch mechanism can be obstructed by a seat.~~

- 6) ~~7) There must be at least 11.7 inches (30 cm) measured from the door opening to the seat back in front. (49 CFR 571.217) amended-at-59-PR-229977-May-47-1994~~

REJECT VEHICLE IF:

Passenger seats are not firmly attached to body; broken frame; cushions not firmly

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attached; padding and covering not fire resistant. Padding or covering is loose, in poor condition, or missing; seats are torn or have holes; minimum seat dimensions or seat spacing is not in compliance.

d) STEERING SYSTEM

1) Exterior

A) King Pins

PROCEDURES/SPECIFICATIONS:

Raise vehicle so as to unload kingpins (brakes should be applied to eliminate wheel bearing looseness). Either grasp wheel at top and bottom or use a bar for leverage. Attempt to rock wheel in and out. Check movement at extreme top or bottom of tire. If movement exists, place a dial indicator, tape measure, or a fixed device at the wheel and measure amount of movement.

Place leverage bar under tire. Raise bar to check for vertical movement between spindle and support axle.

REJECT VEHICLE IF:

Wheel bearing movement exceeds 1/4 inch; or kingpin movement exceeds:

Wheel size	Max allowed
16" or less	1/4"
16.1" to 18"	3/8"
over 18"	1/2"

B) Linkage PROCEDURES/SPECIFICATIONS:

For buses with single "I" beam or tube type front axle, hoist bus under axle. For buses with twin "I" beam type front axles or with "A frame" control arms, each axle or arm must be hoisted independently so as to load

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the ball joints. Grasp front and rear of tire and attempt to shake assembly right and left to determine linkage looseness. Measure movement of wheel.

Inspect for damage to or looseness in the following linkage components:

- 1) Ball Joints
- 2) Cotter Pins
- 3) Drag Link
- 4) Idler Arm
- 5) Pitman Arm
- 6) Steering Box
- 7) Tie Rod
- 8) Tie Rod Ends

REJECT VEHICLE IF:

Measurement is found to be in excess of:

Rim Diameter	Maximum Allowable Movement
16" or less	1/4"
17" and 18"	3/8"
over 18"	1/2"

Any linkage component is bent; welded; loose; insecurely mounted or missing.

C) Power
SteeringPROCEDURES/SPECIFICATIONS:

Manually and visually inspect:

- 1) Belts
- 2) Cylinders
- 3) Fluid Level

E) Wheel
BearingsPROCEDURES/SPECIFICATIONS:

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- 4) Hoses
- 5) Mounting Brackets
- 6) Power Assist
- 7) Pump

REJECT VEHICLE IF:

Steering components are:

- 1) Loose, frayed, cracked, missing; incorrect belts
- 2) Loose and/or leaking
- 3) Low fluid level
- 4) Cracked, leaking, rubbed by moving parts
- 5) Cracked, loose, or broken
- 6) No assist is evident
- 7) Loose, leaking.

D) Toe-In/
Toe-OutPROCEDURES/SPECIFICATIONS:

With wheels held in a straight ahead position, drive vehicle slowly over the approved drive-on side slip indicator.

Excessive toe-in or toe-out is a general indication that complete check should be made of all front wheel alignment factors (caster, camber, steering axis inclination).

REJECT VEHICLE IF:

More than 30 feet per mile on the approved side slip indicator.

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With the front end of the vehicle lifted so as to load any ball joints, grasp the front tire top and bottom, rock it in and out. Record movement. To verify that any looseness detected is in the wheel bearing, notice the relative movement between the brake drum or disc and the backing plate or splash shield.

AGENCY NOTE:

Wheel bearing play can be eliminated by applying service brakes.

REJECT VEHICLE IF:

Relative movement between drum and backing plate, measured at tire, is 1/4 inch or more.

2) Interior

A) Column

PROCEDURES/SPECIFICATIONS:

Inspect to determine that column support bracket is properly tightened and all bolts are present.

REJECT VEHICLE IF:

Column support bracket is not properly tightened or bolts are missing.

B) Lash

PROCEDURES/SPECIFICATIONS:

With road wheels in straight ahead position, turn steering wheel until a turning movement can be observed at the left road wheel. Slowly reverse steering wheel motion and measure lash.

REJECT VEHICLE IF:

Lash exceeds following acceptable limits:

Steering wheel maximum diameter (inches)	Acceptable lash measured at maximum circumference
16 or less	2
18	2 1/4
20	2 1/2

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22

2 3/4

C) Shaft PROCEDURES/SPECIFICATIONS:

Grasp steering wheel with both hands and attempt to move shaft up and down.

REJECT VEHICLE IF:

Steering shaft moves up and down.

D) Steering WheelPROCEDURES/SPECIFICATIONS:

Inspect steering wheel condition.

REJECT VEHICLE IF:

Steering wheel is damaged. Any spokes are missing or reinforcement ring is exposed.

E) Travel

PROCEDURES/SPECIFICATIONS:

Turn steering wheel through a full right and left turn checking for binding, jamming and complete travel left and right.

REJECT VEHICLE IF:

Binding or jamming is present. Does not complete full turn from left to right. Tire rubs on fender or frame during turn.

e) STEPS

PROCEDURES/SPECIFICATIONS:

The first service entrance step shall be no more than 13 1/2 inches off the ground. If necessary, a step of adequate width and length shall be installed to meet this requirement. Provision shall be made to prevent road splash from the wheel from accumulating on the step if installed outside the body.

Risers shall be approximately equal in height, upper risers no more than 12 inches in height.

The surface entrance steps shall have a

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nonskid material applied. A 1 1/2 inch to three inch white nosing is required on the floor at the top riser.

REJECT VEHICLE IF:

Steps or risers are not solid. Steps, risers or nonskid material covering is missing, loose, or not in good condition. White nosing is missing or in poor condition.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX J Stop Signal Arm Panel through Trash Container (Optional) through-Tow-Hooks

a) STOP SIGNAL
ARM PANEL

PROCEDURES/SPECIFICATIONS:

A stop signal arm panel must be installed on the left side of the bus and may be operated either manually or mechanically. Decals may be used in lieu of painting.

Buses manufactured on or after September 1, 1992 must be equipped with an octagon-shaped semaphore which meet the requirements listed below under "Octagon."

Buses manufactured prior to September 1, 1992 may either be equipped with an octagon-shaped semaphore which meets the requirements listed below under "Octagon" or a hexagon shaped semaphore which meets the requirements listed below under "Hexagon."

Octagon - The arm shall be an octagon-shaped semaphore which measures at least 450 mm x 450 mm (17.72 inches x 17.72 inches) in diameter. The arm shall be red on both sides with a white border at least 12 mm (.47 inches) wide on both sides. The arm shall have the word "STOP" displayed in white uppercase letters on both sides. The letters shall be at least 150 mm (5.9 inches) in height and have a stroke width of at least 20 mm (.79 inches).

The stop signal arm shall comply with either (a) or (b) below:

- a) The entire surface of both sides of the arm can be reflectorized to meet 49 CFR 571.131; or
- b) Each side of the arm shall have at least two red lamps centered on the vertical centerline of the stop arm. One lamp shall be located at the extreme top of the arm and the other at its extreme

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bottom. The lamps shall light and flash alternately when stop arm is extended and likewise turn off and stop flashing when arm is closed. (49 CFR 571.131) (See Section 443.Illustration A for examples.)

Hexagon - The arm shall be a hexagon shaped senaphore approximately 18 inches wide and 18 inches long and of 16 gauge metal. The stop signal arm signal shall have the "STOP" painted on both sides in white letters at least six inches high with a brush stroke approximately 7/8 inch wide. The word "STOP" shall be painted on a panel with red background of approximately 8 inches by 16 inches. Remaining area of stop signal arm blade is to be painted white with a band of white border at least 1/2 inch wide painted from and rear on both sides as contrast. White portion of arm signal shall be reflectorized or shall have double-faced lamps with red lens approximately four inches in diameter located in the top and bottommost position of the blade. These lamps shall light and flash alternately when stop arm is extended and likewise turn off and stop flashing when arm is closed. (Section 12-803 of the Illinois Vehicle Equipment Law) (See Section 443.Illustration A for examples.)

Optional: Strobe lamps are acceptable on stop arm panels.

Optional: Additional stop signal arm panels must be located on the left side of the bus. Additional panels must operate in conjunction with the required panel and meet all stop signal arm panel requirements except as follows. The additional panel must not contain any lights, markings or reflective material on the forward side of the panel. The additional panel must be located in the rear half of the bus adjacent to the rearmost window.

REJECT VEHICLE IF:

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Stop signal arm panel is in poor condition (i.e., faded, peeling, or rusted); lights do not operate properly (if installed); is not securely attached; is not operating properly; does not meet requirements; is missing.

PROCEDURES/SPECIFICATIONS:

Covered, fire-resistant container securely fastened of adequate strength and capacity for tire chains and tools for minor emergency repairs.

REJECT VEHICLE IF:

If installed, storage compartment does not meet requirements.

PROCEDURES/SPECIFICATIONS:

Shall be interior, adjustable and not less than five inches by 16 inches. Must be installed above windshield.

Not required to be transparent, but must not interfere with view of interior rear view mirror.

REJECT VEHICLE IF:

Sun visor does not meet requirements.

d) SUSPENSION1) ShocksPROCEDURES/SPECIFICATIONS:

Equipped with front and rear heavy-duty, double acting shock absorbers.

REJECT VEHICLE IF:

Shocks are missing, broken or have severe leakage (not slight dampness) occurs. Mounting bolts or mounts are broken or loose, or rubber bushing is partially or completely missing.

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2) Springs

A) Coil

PROCEDURES/SPECIFICATIONS:

Visually inspect:

- 1) Spring
- 2) Control arms
- 3) Torque arms (rear)

REJECT VEHICLE IF:

Coil is missing, disconnected, broken, loose bushings, welded or damaged.

B) Leaf

With use of a pry bar and using frame as a pivot, attempt to pry front and rear spring attachments and check for movement. Front of vehicle must be jacked up on chassis for checking front suspension. Visually inspect:

- 1) Springs
- 2) Shackles
- 3) Hangers
- 4) U-bolts
- 5) Center bolts
- 6) Bushings or pivot

REJECT VEHICLE IF:

Springs are missing or broken. Shackles or "U" bolts worn or loose. Center bolt in springs sheared or broken. Steering stops allow tire to rub on frame or metal.

Any leaves are cracked or missing. Any shackle, shackle pins, hangers, or "U" bolts are worn, loose, or missing.

C) Torsion
Bar (Stab-

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ilizer
Bar)

PROCEDURES/SPECIFICATIONS:

Visually inspect:

- 1) Torsion bar
- 2) Mounting brackets
- 3) Control arms
- 4) Torque arms (if applicable - rear)
- 5) Stabilizer bar(s) (if applicable)

REJECT VEHICLE IF:

Torsion bar missing, disconnected, broken, loose, welded, or damaged.

e) TOW HOOKS
(optional)

1) Front

PROCEDURES/SPECIFICATIONS:

A front tow hook must not extend beyond the front of the front bumper. Each front tow hook not fastened securely to the chassis frame shall be connected to the frame by suitable braces.

REJECT VEHICLE IF:

Tow hook(s) extend beyond bumper; not securely attached.

2) Rear

PROCEDURES/SPECIFICATIONS:

Any tow hook(s) installed on the rear shall be attached or braced to the chassis frame or to an equivalent structural member of an integral type bus. A tow hook must not extend beyond the rear face of the rear bumper.

REJECT VEHICLE IF:

Tow hook(s) extend beyond bumper; not securely attached.

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f) TRASH CONTAINER
(Optional)PROCEDURES/SPECIFICATIONS:

A trash container may be present. If present, it must be securely stored in the vehicle and must not obstruct any aisle.

REJECT VEHICLE IF:

Optional trash container does not meet requirements.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443.APPENDIX K Undercoating through through Windshield Wipers**a) UNDERCOATING**PROCEDURES/SPECIFICATIONS:

Fire resistant undercoating material applied by spray. Entire underside of body, front fenders, floor members and side panels below floor level must be covered.

REJECT VEHICLE IF:

Undercoating does not meet requirements.

b) VENTILATIONPROCEDURES/SPECIFICATIONS:

Body must be equipped with ventilating system capable of supplying proper quantity of air under operating conditions.

REJECT VEHICLE IF:

Air is obstructed; not securely fastened; not covered.

c) WARNING DEVICESPROCEDURES/SPECIFICATIONS:

Either three red cloth flags not less than 12 inches square and three red reflectors minimum of 3 inches in diameter or three bidirectional emergency triangles that conform to 49 CFR 571.125 (Section 12-702 of the Illinois Vehicle Equipment Law) Kit shall be securely stored.

REJECT VEHICLE IF:

Required warning devices are not present or are in poor condition.

d) WHEELS**1) Housings**PROCEDURES/SPECIFICATIONS:

Full open type attached to floor sheet to prevent water, fumes or dust entering the body. Inside height should not exceed 10

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inches above floor line. Housings shall allow for unimpeded wheel and tire service or removal. Housing shall provide clearance for installation and use of tire chains on the dual or single tires installed on the rear wheels.

Inspect tire and road wheel assemblies.

REJECT VEHICLE IF:

Wheel housings do not meet clearance requirement; wheel housings are not firmly secured; holes are present.

A tire or wheel is rubbing against any portion of the suspension, chassis, or body.

2) Rim

PROCEDURES/SPECIFICATIONS:

Inspect all wheel and rim bolts, nuts, studs, lugs, locking rings, etc. Each cover, cap, or decorative ring that obscures any of these items must be removed prior to the inspection.

Inspect for visible wheel damage.

REJECT VEHICLE IF:

Any wheel or rim securing device such as a nut, bolt, stud, lug, ring, or other type securing device is loose, missing, or cracked.

Wheel locating hole(s) are elongated, oversized, or "wallowed out." Any part of a wheel or rim is cracked, repaired by welding or rewelding, or damaged so as to cause unsafe operation of the vehicle.

3) Tires

PROCEDURES/SPECIFICATIONS:

Inspect tire for proper inflation (i.e., flat tire).

A regrooved, retreaded, or recapped tire shall not be on the front steering axle.

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A tire with restricted use marking is prohibited (e.g., "NHS" or "SL" following size marking, "Off Highway," "Farm Use," "Racing Only," etc.).

No school bus shall be equipped with any tire which has been so worn that tread configuration is absent on any part of the tire which is in contact with the road surface.

Inspect for tread wear:

1) Check for the presence of tread wear indicators.

2) For tires without tread wear indicators, use tread depth gauge to measure groove depth.

Steering (Front) and Drive (Rear) Axles:
Axle: Measure groove depth at any point on a major tread groove.

Drive-(Rear)-Axle:--Measure-groove-depth-in-any-two-adjacent-grooves-at-three-equally-spaced-intervals-around-the-circumference-of-the-tire:

Do-not-measure-on-a-tie-bar,-groove-hump, or-flillet.

3) For tires without tread wear indicators and with noncircumferential grooves, or "spaces," between the tread elements (as in snow, mud, lug knob, or traction treads):

Steering (Front) and Drive (Rear) Axles: Axle: Measure in a major groove at a point halfway between the center of the tire and the outside of the tread at any point on a major tread groove.

Drive-(Rear)-Axle:--Measure-in-a-major-groove-at-a-point-halfway-between-the-center-of-the-tire-and

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~~the outside of the tread at three
equally spaced intervals around the
circumference of the tire.~~

- 4) Inspect tire for bald, partially bald, cupped, dished, or unevenly worn areas.
- 5) The measurements shall not be made where the tie bars, humps, or fillets are located.

AGENCY NOTE:

"Bald" means without a groove.

Inspect for visible cord damage and exposure of ply cords in sidewalls and treads, including belting material cords.

Inspect for evidence of tread or sidewall separation.

Inspect for regrooved or recut treads.

AGENCY NOTE:

49 CFR 369 requires tires marked "REGROOVABLE" to have sufficient tread rubber that, after regrooving, cord material below the grooves shall have a protective covering of tread material at least 3/32 inch thick.

Inspect tires for legible markings showing size designation and carcass construction.

AGENCY NOTE:

"R" in size designation shows radial construction. More plies at tread than sidewall shows belted construction. Same number of plies at tread and sidewall, without a belted or radial indication, shows plain bias construction.

Tires on same axle must be of same construction.

Inspect tires for size designation and for matched construction.

AGENCY NOTE:

"Construction" refers to bias, bias belted, or radial arrangement of ply cords in the tire carcass.

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Inspect each single dual tire assembly.

A mixture of regular and mud-and-snow treads must be same on both sides of axle.

When radial and conventional (i.e., bias) ply tires are both used on a vehicle, one of the following two requirements shall be met:

- 1) On vehicles with one single wheel axle and one or more dual wheel axles, radial tires shall be used on the steering (i.e., front) axle only.

- 2) On vehicles having two single wheel axles, radial tires shall be used on the rear axle only.

A tube built only for bias tire shall not be installed in a radial tire. Red color shall not be added to stem of a "bias" tube. (Valve stem of tube for radial tire is either marked "radial" or has red ring or is painted red.) A "radial" tube and flap may be used in a bias tire.

Inspect valve stems.

REJECT VEHICLE IF:

Improper inflation (flat tire).

Regrooved, retreaded or recapped tire is located on front steering axle.

Restricted marking is present.

Any part of tire which is in contact with road surface is absent of tread configuration.

- 1) Tread wear indicators contact road at any point on a major tread groove ~~in any two adjacent grooves at three equally spaced intervals around the circumference of the tire.~~
- 2) On steering (front) axle: Tread groove depth is less than 4/32 inch when

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measured at any point on a major tread groove.

On drive (rear) axle: Tread groove depth is less than 2/32 inch when measured in ~~any two adjacent grooves at any point on a major tread groove three essentially equally spaced intervals around the circumference of the tire.~~

- 3) On steering axle: Tread groove depth is less than 4/32 inch when measured in a major groove at a point halfway between the center of the tire and the outside of the tread at any point on a major tread groove.

On drive axle: Tread groove depth is less than 2/32 inch when measured in a major groove at a point halfway between the center of the tire and the outside of the tread when measured at any major tread groove ~~three essentially equally spaced intervals around the circumference of the tire.~~

- 4) The tire has bald, partially bald, cupped, dishd or unevenly worn areas.

A broken or cut cord can be seen. Rubber is worn, cracked, cut or otherwise deteriorated or damaged so that a cord can be seen - either when the tire is not touched or when the edges of the crack, cut or damage are parted or lifted by hand.

Tire has bump, bulge, knot or other evidence of partial carcass failure, air seepage, or loss of adhesion between carcass and tread or sidewall.

Tread has been regrooved or recut on a tire that does not have the word "REGROOVABLE" molded on or into both sides of the tire.

A tire on a road wheel does not exhibit a legible size marking and a legible construction marking.

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Tires on the same axle are not of same construction.

A tire exceeds the diameter (not width) of its mate by 1/2 inch (1/4 inch radius) or more; or one tire touches its mate.

A mixture of regular and mud-and-snow treads are not the same on both sides of the axle.

Requirements for using both radial and conventional tires on a vehicle are not met.

A tube built only for bias tire but installed in a radial tire.

A valve stem leaks; is cracked; is either damaged or positioned so as to hamper pressure checking or inflation; shows evidence of wear because of misalignment.

e) WINDOWS

PROCEDURES/SPECIFICATIONS:

All applicable provisions of 49 CFR 571.205 apply to the optional laminated safety glass and also to any plastic material(s) used in a multiple glazed unit.

Glazing shall be marked as follows pursuant to 49 CFR 571.205:

- 1) Windshield - "AS 1" Glass
- 2) Driver's window - "AS 1" Glass or "AS 2" Glass
- 3) Driver's door - "AS 1" Glass or "AS 2" Glass
- 4) All other locations - "AS 1" Glass, "AS 2" Glass, or "AS 3" Glass.

REJECT VEHICLE IF:

Windows do not meet requirements ~~or are not~~ **property-identified.**

- 1) Emergency

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(Also see
EMERGENCY
EXITS)

PROCEDURES/SPECIFICATIONS:

When the emergency door is located on the left side, a rear emergency window shall be provided. Minimum dimensions are 16 inches high and 48 inches wide. Designed to be opened from the inside or the outside.

Hinged on top, designed and operated to insure against accidental closing in an emergency. Inside handle shall provide for quick release. Outside handle shall be nondetachable and nonhitchable. When locked or not fully latched, window shall actuate alarm audible and visible to driver. No cutoff switch allowed.

Optional emergency windows are allowed. They must be labelled "Emergency Exit" in letters at least two inches high, of a color that contrasts with its background, located at the top of or directly above the window on the inside surface of the bus.

REJECT VEHICLE IF:

Operating mechanisms do not function. Alarm does not function. Glass is cracked or broken (see EMERGENCY EXIT - Alarms and Locks).

2) Rear

PROCEDURES/SPECIFICATIONS:

Glazing in rear of bus shall be of fixed type. Any authorized or required sign, letters or numerals displayed on the window in the rear of the bus shall be located so as not to obstruct the driver's view.

REJECT VEHICLE IF:

Visibility through rear windows is obstructed. Glass is cracked or broken.

3) Side

PROCEDURES/SPECIFICATIONS:

All buses purchased after September 1974 must have each side window as an unobstructed

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emergency opening and at least a nine inch by 22 inch wide opening obtained by lowering the window. Six inch stop line required on all windows. Safety glass, or equivalent, with exposed edges banded.

All buses purchased prior to September 1974 and after January 1, 1972, must have approved safety glass in all windows and doors and all exposed edges of the glass shall be banded.

Those vehicles used as a school bus by school districts and private contractors prior to January 1, 1972, and are still in their possession and had previously passed the school bus safety inspection can still be utilized if they continue to meet the inspection requirements that were in effect at that time. These vehicles will not have to be brought up to the above standards.

Note: For information regarding optional route identification markings, see Lettering.

REJECT VEHICLE IF:

Windows do not meet emergency opening requirements. Window does not open easily. Glass is cracked or broken. Stop lines are missing.

Window latches do not operate properly.

PROCEDURES/SPECIFICATIONS:

Shall be installed between front corner posts and must not obstruct driver's view. (Section 12-501 of the Illinois Vehicle Equipment Law)

All buses purchased after September 1974 must have tinted safety glass six inches below top of windshield or equivalent to reduce glare.

All buses purchased prior to September 1974 must have safety glass and shall be heat resistant, laminated plate.

REJECT VEHICLE IF:

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Windshield is not firmly sealed or attached. Glass is broken, cracked, or discolored (not including allowed tint). "Star chip" is present which measures more than one inch in diameter.

f) WINDSHIELD WASHER

PROCEDURES/SPECIFICATIONS:

Windshield washer shall effectively clean the area covered by both wipers.

REJECT VEHICLE IF:

Windshield washer does not effectively clean entire area or does not operate properly.

g) WINDSHIELD WIPERS

PROCEDURES/SPECIFICATIONS:

Wipers shall be either two speed or variable speed with nonglare arms and blades. Blades need not be individually powered.

REJECT VEHICLE IF:

Windshield wipers do not cover entire cleaning area. Blades are damaged, torn, hardened, or rubber wiping element has broken down. Wiper fails to park properly when shut off.

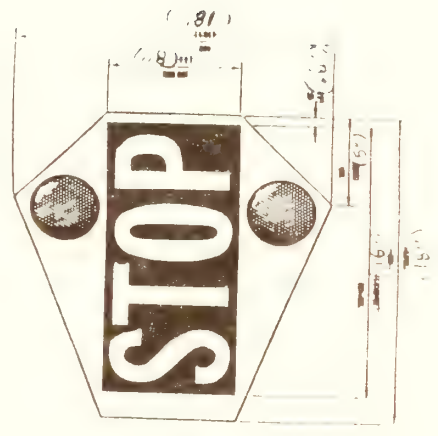
(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443. ILLUSTRATION A Stop Signal Arm Panel:
Octagon Shaped Semaphore (see Section 443. APPENDIX J)



Hexagon Shaped Semaphore (see Section 443. APPENDIX J (a))



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(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 443. ILLUSTRATION E Driver's Pre-Trip Inspection Requirements and Sample Form (Repealed)

As required in Section 13-115 of the Illinois Vehicle Inspection Law, drivers must complete the following "pre-trip inspection" daily:

"Each day that a school bus is operated, the driver shall conduct a pre-trip inspection of the mechanical and safety equipment on the bus as prescribed by rule or regulation of the Department." (Section 13-115 of the Illinois Vehicle Inspection Law)

The following requirements became effective August 17, 1975:

- a) The driver must inspect his vehicle each day prior to beginning a trip.
- b) The driver is required to make a written report of this pre-trip inspection. He must report any defects found to the proper authority so that the defects can be corrected.
- c) The pre-trip inspection report shall be made in duplicate.
- d) As designated by the owner, the original copy shall be presented to the person of authority on a daily basis. These original copies shall be retained by the owner for one hundred and eighty days.
- e) The duplicate copy shall remain in the bus for a period of at least thirty days.
- f) The form shall specify items to be checked (see subsection (1)) and the minimum information to be recorded.
- g) The pre-trip inspection records and reports will be made available for inspection and audit by authorized representatives of the Department at any time.
- h) It is the responsibility of the bus owner to furnish pre-trip inspection report forms that meet the minimum requirements of this Chapter.
- i) Required items to be checked during the driver's pre-trip inspection:
 - 1) Coolant, oil, battery, washer, fluid levels, fan belts, and wiring.
 - 2) Steps, cleanliness, upholstery, windows, warning devices, fuses, first aid kit, fire extinguisher, emergency door (open and closed), lettering.
 - 3) Odometer, reading and indication of whether or not state inspection is due.

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Section 443. ILLUSTRATION F School Bus Emergency Exits

School buses manufactured on or after September 1, 1994 may be equipped with additional exits. These additional exit requirements apply to school buses with an incomplete vehicle date of on or after September 1, 1994. The incomplete vehicle date can be found on the bus' federal certification label.

Each school bus will first be equipped with either a rear emergency door or a side emergency door and rear emergency window as stated in paragraphs (a) and (b).

The following Tables specify the required number of exits depending on the vehicle's passenger capacity and emergency exit configuration.

- a) One rear emergency door that opens outward and is hinged on the right side (either side in the case of a bus with a GVWR of 10,000 pounds or less), and the additional exits, if any, specified by Table 1.

TABLE 1

Seating Capacity	Additional exits required
1-45	None.
46-62	1 left side exit door or 2 exit windows.
63-70	1 left side exit door or 2 exit windows, and 1 roof exit.

71 and above

1 left side exit door or 2 exit windows, and 1 roof exit, and any combination of door, roof, or windows such that the total capacity credit specified in Table 3 for these exits, plus 70, is greater than the seating capacity of the bus.

- b) One emergency door on the vehicle's left side that is hinged on its forward side and a pushout rear window that provides a minimum opening clearance 16 inches high and 48 inches wide, and the additional exits, if any, specified by Table 2.

TABLE 2

Seating Capacity	Additional exits required
1-57	None.

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- 1) Heading of the Part: Advertising and Sales Promotion of Life Insurance and Annuities
- 2) Code Citation: 50 Ill. Adm. Code 909
- 3) Section Number:
 909.10 Adopted Action:
 909.20 Amended
 909.30 Amended
 909.50 Amended
 909.90 Amended
 909.100 Amended
 909.110 Amended
 909.120 Amended
- 4) Statutory Authority: Implementing Sections 149, 151, 236, 237, 426 and 502 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/149, 151, 236, 237, 426 and 502].
- 5) Effective Date of amendments: June 1, 1998
- 6) Does this amendment contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date filed in Agency's Principal Office: January 27, 1998
- 9) Notice of Proposal Published in Illinois Register: February 21, 1997, 21 Ill. Reg. 2548
- 10) Has JCAR issued a Statement of Objections to this amendment? No
- 11) Difference(s) between proposal and final version:
- a) Section 909.10, strike "agents, brokers" and add "insurance producers".
- b) Section 909.20, delete "established by the Actuarial Standards Board" and add "promulgated by the Actuarial Standards Board (ASB)(1720 I Street, N.W., 7th Floor, Washington, D.C. 20006)(Actuarial Standards of Practice No. 24, Compliance with the NAIC Life Insurance Illustrations Model Regulation as of December 1995, no subsequent dates or editions)".
- c) Section 909.20, add a comma after "N.W.".
- d) Section 909.20, add "for policies other than variable life, individual and group annuity contracts, credit life insurance and life insurance

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- with no illustrated death benefits on any individuals exceeding \$10,000."
- e) Section 909.20, add a comma after "\$10,000".
- 12) Have all changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of rulemaking: The Department is amending Part 909 to make the language consistent with the new Life Illustration model rule from the NAIC.
- 16) Information and questions regarding this adopted Amendment shall be directed to:
 Betty Jo Teer
 Department of Insurance
 320 West Washington
 Springfield, Illinois 62767-0001
 (217) 785-7349
- The full text of the Adopted Amendments begins on the next page.

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TITLE 50: INSURANCE

CHAPTER 1: DEPARTMENT OF INSURANCE

SUBCHAPTER 1: PROVISIONS APPLICABLE TO ALL COMPANIES

PART 909

ADVERTISING AND SALES PROMOTION OF
LIFE INSURANCE AND ANNUITIES

Section

- 909.10 Authority
- 909.20 Definitions
- 909.30 Applicability
- 909.40 Form and Content of Advertisements
- 909.50 Disclosure Requirements
- 909.60 Identity of Insurer
- 909.70 Jurisdictional Licensing and Status of Insurer
- 909.80 Statements About an Insurer
- 909.90 Enforcement Procedures
- 909.100 Penalties ~~(Renumbered)~~
- 909.110 Conflict with Other Rules ~~(Renumbered)~~
- 909.120 Severability Provision ~~(Renumbered)~~

AUTHORITY: Implementing Sections 149, 151, 236, 237, 426 and 502 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/149, 151 236, 237, 401, 426, and 502].

SOURCE: Filed April 26, 1976, effective May 7, 1976; codified at 7 Ill. Reg. 3460; amended at 14 Ill. Reg. 13584, effective August 14, 1990; amended at 15 Ill. Reg. 15665, effective October 18, 1991; amended at 22 Ill. Reg. ~~15665~~ effective JUN 01 1998.

Section 909.10 Authority

This Part Rule is issued by the Director of Insurance pursuant to Section 401 of the Illinois Insurance Code [215 ILCS 5/401] ~~(111-Rev-Stat--1981-Eh--73; par---1013; which empowers the Director to make reasonable rules and regulations as may be necessary for making effective the insurance laws of this State. The purpose of this Part Rule is to set forth minimum standards and guidelines to assure a full and truthful disclosure to the public of all material and relevant information in the advertising of life insurance policies and annuity contracts. This Part Rule implements the Illinois Insurance Code by defining acts and practices which constitute a violation of one or more of the following Sections sections of the Illinois Insurance Code: Sections 149, 151, 236, 237, 426 and 502 [215 ILCS 5/149, 151, 236, 237, 426 and 502] (111-Rev---Stat--1981-Eh--73; par--761-763-848-1033-and-1065-49), which generally relate to the use of false or misleading statements in the sale of insurance and which apply variously to life insurance companies and to insurance producers agents--brokers and solicitors.~~

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(Source: Amended at 22 Ill. Reg. JUN 01 1998 effective JUN 01 1998)

Section 909.20 Definitions

For the purpose of this Part Rule:

"Advertisement" for the purpose of this Part Rule shall not include:

- communications or materials used within an insurer's own organization and not intended for dissemination to the public;
- communications with policyholders other than material urging policyholders to purchase, increase, modify, reinstate or retain a policy;
- a general announcement from a group or blanket policyholder to eligible individuals on an employment or membership list that a policy or program has been written or arranged, provided the announcement clearly indicates that it is preliminary to the issuance of a booklet explaining the proposed coverage.

"Advertisement" shall be material designed to create public interest in life insurance or annuities or in an insurer, or to induce the public to purchase, increase, modify, reinstate or retain a policy including:

printed and published material, audio-visual material and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio and television scripts, billboards and similar displays;

descriptive literature and sales aids of all kinds issued by an insurer or agent, including but not limited to circulars, leaflets, booklets, depictions, illustrations and form letters; material used for the recruitment, training, and education of an insurer's sales personnel, agents, solicitors and brokers which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate or retain a policy;

prepared sales talks, presentations, and material for use by sales personnel, agents, solicitors and brokers.

Disciplined current scale means a scale of non-guaranteed elements constituting a limit on illustrations currently being illustrated by an insurer that is reasonably based on actual recent historical experience, as certified annually by an illustration actuary

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designated by the insurer. Further guidance in determining the disciplined current scale as contained in standards promulgated by the Actuarial Standards Board (ASB) (1720 I Street, N.W., 7th Floor, Washington, D.C. 20006) (Actuarial Standard of Practice No. 24, Compliance with the NAIC Life Insurance Illustrations Model Regulation as of December 1995, no subsequent dates or editions) may be relied upon if the standards:

are consistent with all provisions of this Part;

limit a disciplined current scale to reflect only actions that have already been taken or events that have already occurred;

do not permit a disciplined current scale to include any projected trends of improvements in experience or any assumed improvements in experience beyond the illustration date; and

do not permit assumed expenses to be less than minimum assumed expenses.

Illustrated scale means a scale of non-guaranteed elements, for policies other than variable life, individual and group annuity contracts, credit life insurance and life insurance with no illustrated death benefits on any individuals exceeding \$10,000, currently being illustrated that is not more favorable to the policy owner than the lesser of:

the disciplined current scale; or

the currently payable scale.

"Insurer" shall include any organization or person which issues life insurance or annuities to residents of this State.

Non-guaranteed elements means premiums, benefits, values, credits or charges under a policy of life insurance that are not guaranteed or not determined at issue.

"Policy" shall include any policy, plan, certificate, contract, agreement, statement of coverage, rider or endorsement which provides for life insurance or annuity benefits.

"Preneed Funeral Contract or Prearrangement" shall mean an arrangement by or for an individual before the individual's death relating to the purchase or provision of specific funeral or cemetery merchandise or services.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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JUN 01 1998

Section 909.30 Applicability

- This Part Rule shall apply to any life insurance or annuity advertisement intended for dissemination in this State.
- Every insurer shall establish and at all times maintain a system of control over the content, form and method of dissemination of its advertisements. All such advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the insurer.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 909.50 Disclosure Requirements

- The information required to be disclosed by this Part Rule shall not be minimized, rendered obscure or presented in an ambiguous fashion or intermingled with the text of the advertisement so as to be confusing or misleading.
- No advertisement shall omit material information or use words, phrases, statements, references or illustrations if such omission or such use has the capacity, tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of the insurance, any policy benefit payable, loss covered, premium payable or state or federal tax consequences. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale, or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.
- In the event an advertisement used "Non-Medical," "No Medical Examination Required" or similar terms where issue is not guaranteed, such terms shall be accompanied by a further disclosure of equal prominence and in juxtaposition thereto to the effect that issuance of the policy may depend upon the answers to the health questions.
- An advertisement shall not use as the name or title of a life insurance policy or an annuity, any phrase which does not include the words "life insurance" or "annuity" unless accompanied by other language clearly indicating it is life insurance.
- An advertisement shall prominently include the specific title of the type of the policy being marketed and such title shall not be misleading as to the policy benefits.
- An advertisement of an insurance policy marketed by the direct response techniques shall not state or imply that because there is no agent or commission included, there will be a cost savings to prospective purchasers unless such is the fact. No such cost savings may be stated or implied without justification satisfactory to the

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Insurance Director prior to use.

- g) An advertisement for a policy containing graded or modified benefits shall prominently display any limitation of benefits. If the premium is level and coverage decreases or increases with age or duration, such fact shall be prominently disclosed.
- h) An advertisement for a policy with non-level premiums shall prominently describe the premium changes.
- i) Dividends and Other Non-Guaranteed Elements

- 1) An advertisement shall not utilize or describe dividends or other non-guaranteed elements in a manner which is misleading or has the capacity or tendency to mislead.
- 2) An advertisement shall not state or imply that the payment or amount of dividends is guaranteed. If dividends or other non-guaranteed elements are illustrated they must be based on the insurer's illustrated current-dividend scale and the illustration must contain a statement to the effect that they are not to be construed as guarantees or estimates of dividends to be paid in the future.
- 3) An advertisement shall not state or imply that illustrated dividends under a participating policy and/or pure endowments will be or can be sufficient at any future time to assure, without the further payment of premiums, the receipt of benefits, such as a paid-up policy, unless the advertisement clearly and precisely explains:
 - A) what benefits or coverage would be provided at such time, and
 - B) under what conditions this would occur.

- j) An advertisement shall not state that a purchaser of a policy will share in or receive a stated percentage or portion of the earnings or the general account assets of the company.

k) Testimonials or Endorsements by Third Parties

- 1) Testimonials used in advertisements must be genuine; represent the current opinion of the author; be applicable to the policy advertised, if any; and be accurately reproduced. In using a testimonial the insurer acknowledges as its own all of the statements contained therein, and such statements are subject to all the provisions of this Part Rule.
- 2) If the individual making a testimonial or an endorsement has a financial interest in the insurer or a related entity as a stockholder, director, officer, employee or otherwise, or receives any benefit directly or indirectly other than required union scale wages, such fact shall be disclosed in the advertisement.
- 3) An advertisement shall not state or imply that an insurer or policy has been approved or endorsed by a group of individuals, society, association or other organization unless such is the fact and unless any proprietary relationship between an organization and the insurer is disclosed. If the entity making

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the endorsement or testimonial is owned, controlled or managed by the insurer, or receives any payment or other consideration from the insurer for making such endorsement or testimonial, such fact shall be disclosed in the advertisement.

- 1) An advertisement shall not contain statistical information relating to any insurer or policy unless it accurately reflects recent and relevant facts. The source of any such statistics used in an advertisement shall be identified therein.

m) Introductory, Initial or Special Offers and Enrollment Periods

- 1) An advertisement of an individual policy or combination of such policies shall not state or imply that such policy or combination of such policies is an introductory, initial or special offer or that applicants will receive substantial advantages not available at a later date, or that the offer is available only to a specified group of individuals, unless such is the fact. An advertisement shall not describe an enrollment period as "special" or "limited" or use similar words or phrases in describing it when the insurer uses successive enrollment periods as its usual method of marketing its policies.
- 2) An advertisement shall not state or imply that only a specific number of policies will be sold, or that a time is fixed for the discontinuance of the sale of the particular policy advertised because of special advantages available in the policy.
- 3) An advertisement shall not offer a policy which utilizes a reduced initial rate in a manner which over emphasizes the availability and the amount of the initial premium. When an insurer charges an initial premium that differs in amount from the amount of the renewal premium payable on the same mode, all references to the reduced initial premium shall be followed by an asterisk or other appropriate symbol which refers the reader to that specific portion of the advertisement that contains a full rate schedule for the policy being advertised.
- 4) An enrollment period during which a particular insurance policy may be purchased on an individual basis shall not be offered within this State unless there has been a lapse of not less than six months between the close of the immediately preceding enrollment period for the same policy and the opening of the new enrollment period. The advertisement shall specify the date by which the applicant must mail the application, which shall be not less than ten days and not more than forty days following the date on which such enrollment period is advertised for the first time. This Part Rule applies to all advertising media: i.e., mail, newspapers, radio, television, magazines and periodicals, by any one insurer. The phrase "any one insurer" includes all the affiliated companies of a group of insurance companies under common management or control. This Part Rule does not apply to the use of a termination or cut-off date beyond which an individual application for a guaranteed issue policy will not be

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accepted by an insurer in those instances where the application has been sent to the applicant in response to his request. It is also inapplicable to solicitations to employees or members of a particular group or association which otherwise would be eligible under specific provisions of the Insurance Code for group or blanket insurance. In cases where an insurance product is marketed on a direct mail basis to prospective insureds by reason of some common relationship with a sponsoring organization, this Part Rule shall be applied separately to such sponsoring organization.

- n) An advertisement of a particular policy shall not state or imply that prospective insureds shall be or become members of a special class, group, or quasi-group and as such enjoy special rates, dividends or underwriting privileges, unless such is the fact.
- o) An advertisement shall not make unfair or incomplete comparisons of policies, benefits, dividends or rates of other insurers. An advertisement shall not falsely or unfairly describe other insurers, their policies, services or methods of marketing.

- p) An advertisement for the solicitation or sale of a preneed funeral contract or prearrangement as defined in Section 909.20 of this Part above, which is funded or to be funded by a life insurance policy or annuity contract, shall disclose the following:

- 1) the fact that a life insurance policy or annuity contract is involved or being used to fund a prearrangement as defined in Section 909.20 of this Part, and
- 2) the nature of the relationship among the soliciting producer or producers, the provider of the funeral merchandise or services, the administrator and any other persons;
- 3) the fact that the family or representative of the deceased has the right to change the choice of the prearranged provider of funeral/crematory merchandise and services upon the demise of the insured;
- 4) the fact that in the event the policy proceeds exceed the prearranged cost for funeral/crematory merchandise and services, the excess proceeds will be payable to a secondary beneficiary.

(Source: Amended at 22 Ill. Reg. 6/1/1998, effective 6/1/1998)

Section 909.90 Enforcement Procedures

- a) Each insurer shall maintain at its home or principal office a complete file containing a specimen copy of every printed, published or prepared advertisement hereafter disseminated in this State, with a notation indicating the manner and extent of distribution and the form number of any policy advertised. The Such file shall be subject to inspection by this Department. All the such advertisements shall be maintained in the said file for a period of either four years or until

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the filing of the next regular report of examination of the insurer, whichever is the longer period of time.

- b) Every insurer subject to the provisions of this Part Rule shall file with this Department, with its Annual Statement, a certificate of compliance executed by an authorized officer of the insurer wherein it is stated that, to the best of his knowledge, information and belief, the advertisements which were disseminated by or on behalf of the insurer in this State during the preceding statement year, or during the portion of such year when this Part Rule was in effect, complied or were made to comply in all respects with the provisions of this Part Rule and the Insurance Laws of this State as implemented and interpreted by this Part Rule.

(Source: Amended at 22 Ill. Reg. 6/1/1998, effective 6/1/1998)

Section 909.100 Penalties (Renumbered)

Any insurer or any of its officers, directors, producers or employees thereof which, or who, violate any of the provisions of this Part regulation, or knowingly participate in or abet such violation, shall be subject to a fine up to \$1000 for each violation and/or subject to suspension or revocation of their certificate of authority or license.

(Source: Amended at 22 Ill. Reg. 6/1/1998, effective 6/1/1998)

Section 909.110 Conflict with Other Rules (Renumbered)

It is not intended that this Part Rule conflict with or supersede any rules currently in force or subsequently adopted in this State governing specific aspects of the sale or replacement of life insurance including, but not limited to, rules dealing with life insurance cost comparison indices, deceptive practices in the sale of life insurance and replacement of life insurance policies. Consequently, no disclosure required under any such rules should be deemed to be an advertisement within the meaning of this Part Rule.

(Source: Amended at 22 Ill. Reg. 6/1/1998, effective 6/1/1998)

Section 909.120 Severability Provision (Renumbered)

If any Section or portion of a Section of this Part Rule, or the applicability thereof to any person or circumstance, is held invalid by a court, the remainder of the Part Rule, or the applicability of such provision or circumstances, shall not be affected thereby.

(Source: Amended at 22 Ill. Reg. 6/1/1998, effective 6/1/1998)

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1) Heading of the Part: Individual and Group Life Insurance Policy Illustrations

2) Code Citation: 50 Ill. Adm. Code 1406

3) Section Number: Adopted Action:

1406.10	New Section
1406.20	New Section
1406.30	New Section
1406.40	New Section
1406.50	New Section
1406.60	New Section
1406.70	New Section
1406.80	New Section
1406.90	New Section
1406.100	New Section
1406.110	New Section

4) Statutory Authority: Implementing Sections 224 and 230.1 of the Illinois Insurance Code [215 ILCS 5/224 and 230.1] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401].

5) Effective Date of Rules: June 1, 1998

6) Does this Rule contain an automatic repeal date? No

7) Does this Rule contain incorporations by reference? Yes, the Actuarial Standard of Practice has been incorporated into the definition of "disciplined current scale" found in Section 1406.30 and Section 1406.100(b) of this Part.

8) Date filed in Agency's Principal Office: January 27, 1998

9) Notice of Proposal Published in Illinois Register: September 12, 1997, 21 Ill. Reg. 12382

10) Has JCAR issued a Statement of Objections to this Rule? No

11) Difference(s) between proposal and final version:

a) In the table of contents in the Section 1406.90 heading change "Policy Owners" to "Policyowner".

b) In the main source note change "21" to "22". Also, add an effective date of June 1, 1998.

c) Section 1406.10 - In the third sentence a comma was added after "understandable".

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- d) Section 1406.10 - In the fourth sentence add ", as far as possible," following "will".
- e) Section 1406.20 - In the introductory paragraph add "issued after June 1, 1998," following "certificates".
- f) Section 1406.20(d) - Delete "with no illustrated death benefits on any individual exceeding \$10,000" and add "and certificate with guaranteed scheduled death benefits of \$10,000 or less, or illustrated death benefits less than \$15,000".
- g) Section 1406.30 Change:
- 1) "Contract premium" to "Contract Premium".
 - 2) "Currently payable scale" to "Currently Payable Scale".
 - 3) "Disciplined current scale" to "Disciplined Current Scale".
 - 4) "Generic name" to "Generic Name".
 - 5) "Guaranteed elements and Non-guaranteed elements" to "Guaranteed Elements and Non-guaranteed Elements". This language change has also been made in the subparagraphs that immediately follow.
 - 6) "Illustrated scale" to "Illustrated Scale".
 - 7) Under the definition of "Illustration" change: "Basic illustration" to "Basic Illustration" and "Supplemental illustration" to "Supplemental Illustration".
 - 8) "In force illustration" to "In Force Illustration".
 - 9) "Illustration actuary" to "Illustration Actuary".
 - 10) "Lapse-supported illustration" to "Lapse-supported Illustration". Also change "percent" to "%".
 - 11) "Minimum assumed expenses" to "Minimum Assumed Expenses".
 - 12) "Non-term group life" to "Non-term Group Life".
 - 13) "Policy Owner" to "Policyowner".
 - 14) "Premium outlay" to "Premium Outlay". Also change "policy owner" to "policyowner".
 - 15) "Self-supporting illustration" to "Self-supporting Illustration".

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- Delete the comma following "on" and in the last sentence change "policy owner" to "policyowner" and "policy owner's" to "policyowner's".
- h) Section 1406.40(a) - In the second sentence delete "January" and add "June". In the third sentence delete "within six months after the effective date of this part" and add "by June 1, 1998," and also add "and filing number" following "form number". In the fourth sentence delete "January" and add "June". And finally delete "charge" and add "change" at the end of this subsection.
- i) Section 1406.50(a)(7) - Change "policy owner" to "policyowner".
- j) Section 1406.50(a)(10) - Change "policy owner" to "policyowner".
- k) Section 1406.50(c)(1)(C)(iii) - Delete the comma following "to". Also delete "; and" at the end of this subparagraph and add a period at the end.
- l) Section 1406.50(c)(1)(C)(iv) - This proposed subparagraph has been deleted.
- m) Section 1406.50(d)(1) - Change "policy owner" to "policyowner". Also delete "any non-guaranteed elements illustrated are subject to change and could be either higher or lower. I have been told they are not guaranteed. The insurance producer, or other authorized representative of the insurer has not made any statements as to the likelihood of the non-guaranteed elements actually being paid or credited." and add "this illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown'."
- n) Section 1406.50(d)(2) - Delete "I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have not made any statements to the applicant as to the likelihood of the non-guaranteed elements actually being paid or credited." and add "I have informed the applicant or policyowner that this illustration assumes that the currently illustrated non-guaranteed elements will continue to occur, and actual results may be more or less favorable than those shown'."
- o) Section 1406.60(a)(2) - Change "policy owner" to "policyowner".
- p) Section 1406.60(c) - This proposed subsection has been deleted.
- q) Section 1406.70(b)(5) - Change "policy owner" to "policyowner".

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- r) Section 1406.80(a)(2) - Change "policy owner" to "policyowner" in the second and last sentence.
- s) Section 1406.80(b)(2) - Change "policy owner" to "policyowner" in the first and second sentence.
- t) Section 1406.80(c) - Change "policy owner" to "policyowner" twice in the first sentence.
- u) Section 1406.90 - In the heading of this Section change "Policy Owners" to "Policyowners".
- v) Section 1406.90(a) - In the first sentence change "policy owner" to "policyowner".
- w) Section 1406.90(c) - Change "policy owner" to "policyowner". In the second sentence delete "and (b)" and add "through (c)".
- x) Section 1406.90(e) - This proposed subsection has been deleted.
- y) Section 1406.100(b) - Change "Board, (ASB)" to "Board (ASB)".
- z) Section 1406.100(c)(1) - Delete "in good standing".
- aa) Section 1406.100(c)(3) - Add a comma following "hearing".
- bb) Section 1406.100(f) - Delete "each year by July 1" and add "by no later than December 31 of each year for the 12 months immediately preceding the certification date itself. For the initial 1998 filing, the insurer shall provide a certification for the calendar months which follow the effective date of this Part".

12) Have all changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes, with the only exception being #15 on JCAR's Second Notice Changes document. The Department did not agree to add a comma following "after" but the Department did agree to delete a comma following "on" immediately before the change JCAR has noted. Please see #11(g)(15) of this Notice.

13) Will this rule replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of rulemaking: The purpose of this Part is to provide standards for both individual and group life insurance policy illustrations that will protect consumers and foster consumer education. This Part provides illustration formats, prescribes standards to be followed when illustrations are used, and specifies the disclosures that

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are required in connection with each illustration. This Part will ensure that illustrations do not mislead purchasers of individual or group life insurance and as a result life insurance illustrations will be more understandable, allowing consumers to make better informed decisions about coverage. Insurers will, as far as possible, eliminate the use of footnotes and caveats and define terms used in the illustration in the language that would be understood by a typical person within the segment of the public to which the illustration is directed.

- 16) Information and questions regarding this adopted rule shall be directed to:

Betty Jo Teer
Department of Insurance
320 West Washington
Springfield, Illinois 62767-0001
(217) 785-7349

The full text of the Adopted Rules begins on the next page.

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TITLE 50: INSURANCE

CHAPTER I: DEPARTMENT OF INSURANCE

SUBCHAPTER S: LEGAL RESERVE LIFE INSURANCE

PART 1406

INDIVIDUAL AND GROUP LIFE INSURANCE POLICY
ILLUSTRATIONS

Section

1406.10 Purpose

1406.20 Applicability and Scope

1406.30 Definitions

1406.40 Policies to Be Illustrated

1406.50 Standards for Basic Illustrations

1406.60 Standards for Supplemental Illustrations

1406.70 General Rules and Prohibitions

1406.80 Delivery of Illustrations and Record Retention

1406.90 Annual Report-Notice to Policyowners

1406.100 Annual Certifications

1406.110 Penalties

AUTHORITY: Implementing Sections 224 and 230.1 of the Illinois Insurance Code [215 ILCS 5/224 and 230.1] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401].

SOURCE: Adopted at 22 Ill. Reg. 611 01 1998 effective

Section 1406.10 Purpose

The purpose of this Part is to provide standards for both individual and group life insurance policy illustrations that will protect consumers and foster consumer education. This Part provides illustration formats, prescribes standards to be followed when illustrations are used, and specifies the disclosures that are required in connection with each illustration. This Part will ensure that illustrations do not mislead purchasers of individual or group life insurance and as a result life insurance illustrations will be more understandable, allowing consumers to make better informed decisions about coverage. Insurers will, as far as possible, eliminate the use of footnotes and caveats and define terms used in the illustration in the language that would be understood by a typical person within the segment of the public to which the illustration is directed.

Section 1406.20 Applicability and Scope

This Part applies to all individual and group life insurance policies and certificates issued after June 1, 1998, except:

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a) Variable life insurance;

b) Individual and group annuity contracts;

c) Credit life insurance; or

d) Life insurance policies and certificates with guaranteed scheduled death benefits of \$10,000 or less, or illustrated death benefits less than \$15,000.

Section 1406.30 Definitions

Actuarial Standards Board means the board established by the American Academy of Actuaries to develop and promulgate standards of actuarial practice.

Contract Premium means the gross premium that is required to be paid under a fixed premium policy, including the premium for a rider for which benefits are shown in the illustration.

Currently Payable Scale means a scale of non-guaranteed elements in effect for a policy form as of the preparation date of the illustration, or declared to become effective within the next 95 days of the preparation date.

Director means the Director of the Illinois Department of Insurance.

Disciplined Current Scale means a scale of non-guaranteed elements constituting a limit on illustrations currently being illustrated by an insurer that is reasonably based on actual recent historical experience, as certified annually by an illustration actuary designated by the insurer. The standards established by the Actuarial Standards Board (ASB) (1720 I Street, N.W., 7th Floor, Washington, D.C. 20006) (Actuarial Standard of Practice No. 24, Compliance with the NAIC Life Insurance Illustrations Model Regulation as of December 1995, no subsequent dates or editions) may be relied upon if they:

Are consistent with all provisions of this Part;

Limit a disciplined current scale to reflect only actions that have already been taken or events that have already occurred;

Do not permit a disciplined current scale to include any projected trends of improvements in experience or any assumed improvements in experience beyond the illustration date; and

Do not permit assumed expenses to be less than minimum assumed expenses.

Generic Name means a short title descriptive of the policy being illustrated such as "Whole Life," "Term Life" or "Flexible Premium

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Adjustable Life."

Guaranteed Elements and Non-guaranteed Elements mean:

Guaranteed Elements means the premiums, benefits, values, credits or charges under a policy of individual or group life insurance that are guaranteed and determined at the time of issuance.

Non-guaranteed Elements means the premiums, benefits, values, credits or charges under a policy of individual or group life insurance that are not guaranteed or not determined at the time of issuance.

Illustrated Scale means a scale of non-guaranteed elements currently being illustrated that is not more favorable to the policy owner than the lesser of:

The disciplined current scale; or

The currently payable scale.

Illustration means a presentation or depiction that includes non-guaranteed elements of a policy of individual or group life insurance over a period of years and that is one of the 3 types defined below:

Basic Illustration means a ledger or proposal used in the sale of an individual or group life insurance policy that shows both guaranteed and non-guaranteed elements.

Supplemental Illustration means an illustration furnished in addition to a basic illustration that meets the applicable requirements of this Part, and that may be presented in a format differing from the basic illustration, but may only depict a scale of non-guaranteed elements that is permitted in a basic illustration.

In Force Illustration means an illustration furnished at any time after the policy that it depicts has been in force for one year or more.

Illustration Actuary means an actuary meeting the requirements of Section 1406.100 who certifies that illustrations are based on the standard of practice promulgated by the Actuarial Standards Board.

Lapse-supported Illustration means an illustration of a policy form for individual or group life insurance failing the test of self-supporting as defined in this Section, under a modified persistency rate assumption using persistency rates underlying the

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disciplined current scale for the first 5 years and 100% policy persistency thereafter.

Minimum Assumed Expenses means the minimum expenses that may be used in the calculation of the disciplined current scale for a policy form.

The insurer may choose to designate each year the method of determining assumed expenses for all policy forms from the following:

Fully allocated expenses;

Marginal expenses; and

A generally recognized expense table based on fully allocated expenses representing a significant portion of insurance companies and approved by the National Association of Insurance Commissioners or by the Director.

Marginal expenses may be used only if greater than a generally recognized expense table. If no generally recognized expense table is approved, fully allocated expenses must be used.

Non-term Group Life means a group policy or individual policies of life insurance issued to members of a group where:

Every plan of coverage was selected by the employer or other group representative;

Some portion of the premium is paid by the group or through payroll deduction; and

Group underwriting or simplified underwriting is used.

Policyowner means the owner named in the policy or the certificateholder in the case of a group policy.

Premium Outlay means the amount of premium assumed to be paid by the policyowner or other premium payer out-of-pocket.

Self-supporting Illustration means an illustration of a policy form either individual or group for which it can be demonstrated that, when using experience assumptions underlying the disciplined current scale, for all illustrated points in time on or after the fifteenth policy anniversary or the twentieth policy anniversary for last survivor policies (or upon policy expiration if sooner), the accumulated value of all policy cash flows equals or exceeds the total policyowner value available. For this purpose, policyowner value will include cash

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surrender values and any other illustrated benefit amounts available at the policyowner's election.

Section 1406.40 Policies to Be Illustrated

- a) Each insurer marketing policies pursuant to this Part shall notify the Director whether a policy form is to be marketed with or without an illustration. For all policy forms being actively marketed on June 1, 1998, the insurer shall give written notice to the Director identifying which policy forms it was marketing on June 1, 1998, and the insurer must also indicate whether or not an illustration is used in marketing each policy identified. This written notice must be filed with the Life/Accident and Health Compliance Unit of the Department of Insurance by June 1, 1998, and must include the policy form number and filing number. For policy forms filed after June 1, 1998, the identification shall be made at the time of filing. Written notice must also be given to the Director if an insurer changes the usage of an illustration when marketing a previously identified policy form. Such notice must be filed with the Life/Accident and Health Compliance Unit of the Department of Insurance within 60 days after such change.
- b) If the insurer identifies a policy form as one to be marketed without an illustration, any use of an illustration for any policy using that form prior to the first policy anniversary is prohibited.
- c) If a policy form is identified by the insurer as one to be marketed with an illustration, a basic illustration prepared and delivered in accordance with this Part is required, except that a basic illustration need not be provided to individual members of a group or to individuals insured under multiple lives coverage issued to a single applicant unless the coverage is marketed to these individuals. The illustration furnished an applicant for a group life insurance policy or policies issued to a single applicant on multiple lives may be either an individual or composite illustration representative of the coverage on the lives of members of the group or the multiple lives covered.
- d) Potential enrollees of non-term group life subject to this Part shall be furnished a quotation with the enrollment materials. The quotation shall show potential policy values for sample ages and policy years on a guaranteed and non-guaranteed basis appropriate to the group and the coverage. This quotation shall not be considered an illustration for purposes of this Part, but all information provided shall be consistent with the illustrated scale. A basic illustration shall be provided at delivery of the certificate to enrollees for non-term group life who enroll for more than the minimum premium necessary to provide pure death benefit protection. In addition, the insurer shall make a basic illustration available to any non-term group life enrollee who requests it.

Section 1406.50 Standards for Basic Illustrations

- a) Format. A basic illustration shall conform with the following requirements:
- 1) The illustration shall be labeled with the date on which it was prepared.
 - 2) Each page, including any explanatory notes or pages, shall be numbered and show its relationship to the total number of pages in the illustration (e.g., the fourth page of a seven-page illustration shall be labeled "page 4 of 7 pages").
 - 3) The assumed dates of payment receipt and benefit pay-out within a policy year shall be clearly identified.
 - 4) If the age of the proposed insured is shown as a component of the tabular detail, it shall be issue age plus the numbers of years the policy is assumed to have been in force.
 - 5) The assumed payments on which the illustrated benefits and values are based shall be identified as premium outlay or contract premium, as applicable. For policies that do not require a specific contract premium, the illustrated payments shall be identified as premium outlay.
 - 6) Guaranteed death benefits and values available upon surrender, if any, for the illustrated premium outlay or contract premium shall be shown and clearly labeled guaranteed.
 - 7) If the illustration shows any non-guaranteed elements, they cannot be based on a scale more favorable to the policyowner than the insurer's illustrated scale at any duration. These elements shall be clearly labeled non-guaranteed.
 - 8) The guaranteed elements, if any, shall be shown before corresponding non-guaranteed elements and shall be specifically referred to on any page of an illustration that shows or describes only the non-guaranteed elements (e.g., "see page one for guaranteed elements").
 - 9) The account or accumulation value of a policy, if shown, shall be identified by the name this value is given in the policy being illustrated and shown in close proximity to the corresponding value available upon surrender.
 - 10) The value available upon surrender shall be identified by the name this value is given in the policy being illustrated and shall be the amount available to the policyowner in a lump sum after deduction of surrender charges, policy loans and policy loan interest, as applicable.
 - 11) Illustrations may show policy benefits and values in graphic or chart form in addition to the tabular form.
 - 12) Any illustration of non-guaranteed elements shall be accompanied by a statement indicating that:
 - A) The benefits and values are not guaranteed;
 - B) The assumptions on which they are based are subject to change by the insurer; and

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- C) Actual results may be more or less favorable.
- 13) If the illustration shows that the premium payer may have the option to allow policy charges to be paid using non-guaranteed values, the illustration must clearly disclose that a charge continues to be required and that, depending on actual results, the premium payer may need to continue or resume premium outlays. Similar disclosure shall be made for premium outlay of lesser amounts or shorter durations than the contract premium. If a contract premium is due, the premium outlay display shall not be left blank or show zero unless accompanied by an asterisk or similar mark to draw attention to the fact that the policy is not paid up.
- 14) If the applicant plans to use dividends or policy values, guaranteed or non-guaranteed, to pay all or a portion of the contract premium or policy charges, or for any other purpose, the illustration may reflect those plans and the impact on future policy benefits and values.
- b) Narrative Summary. A basic illustration shall include the following:
- 1) A brief description of the policy being illustrated, including a statement that it is either an individual or group life insurance policy;
 - 2) A brief description of the premium outlay or contract premium, as applicable, for the policy. For a policy that does not require payment of a specific contract premium, the illustration shall show the premium outlay that must be paid to guarantee coverage for the term of the contract, subject to maximum premiums allowable to qualify as a life insurance policy under the applicable provisions of the Internal Revenue Code;
 - 3) A brief description of any policy features, riders or options, guaranteed or non-guaranteed, shown in the basic illustration and the impact they may have on the benefits and values of the policy;
 - 4) Identification and a brief definition of column headings and key terms used in the illustration; and
 - 5) A statement containing in substance the following: "This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown."
- c) Numeric Summary.
- 1) Following the narrative summary, a basic illustration shall include a numeric summary of the death benefits and values and the premium outlay and contract premium, as applicable. For a policy that provides for a contract premium, the guaranteed death benefits and values shall be based on the contract premium. This summary shall be shown for at least policy years 5, 10 and 20 and at age 70, if applicable, on the three bases shown below. For multiple life policies the summary shall show policy years 5, 10,

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- 20 and 30.
- A) Policy guarantees;
 - B) Insurer's illustrated scale;
 - C) Insurer's illustrated scale used but with the non-guaranteed elements reduced as follows:
 - i) Dividends at 50% of the dividends contained in the illustrated scale used;
 - ii) Non-guaranteed credited interest at rates that are the average of the guaranteed rates and the rates contained in the illustrated scale used;
 - iii) All non-guaranteed charges, including but not limited to term insurance charges, mortality and expense charges, at rates that are the average of the guaranteed rates and the rates contained in the illustrated scale used.
- 2) In addition, if coverage would cease prior to policy maturity or age 100, the year in which coverage ceases shall be identified for each of the 3 bases.
- d) Statements substantially similar to the following shall be included on the same page as the numeric summary and signed by the applicant, or the policy owner in the case of an illustration provided at time of delivery, as required by this Part.
- 1) A statement to be signed and dated by the applicant or policyowner reading as follows: "I have received a copy of this illustration and understand that this illustration assumes that the current illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown."
 - 2) A statement to be signed and dated by the insurance producer or other authorized representative of the insurer reading as follows: "I have informed the applicant or policyowner that this illustration assumes that the currently illustrated non-guaranteed elements will continue to occur, and actual results may be more or less favorable than those shown."
- e) Tabular Detail.
- 1) A basic illustration shall include the following for at least each policy year from 1 to 10 and for every fifth policy year thereafter ending at age 100, policy maturity or final expiration; and except for term insurance beyond the 20th year, for any year in which the premium outlay and contract premium, if applicable, is to change.
 - A) The premium outlay and mode the applicant plans to pay and the contract premium, as applicable;
 - B) The corresponding guaranteed death benefit, as provided in the policy; and
 - C) The corresponding guaranteed value available upon surrender, as provided in the policy.
 - 2) For a policy that provides for a contract premium, the guaranteed

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death benefit and value available upon surrender shall correspond to the contract premium.

- 3) Non-guaranteed elements may be shown if described in the contract. In the case of an illustration for a policy on which the insurer intends to credit terminal dividends, they may be shown if the insurer's current practice is to pay terminal dividends. If any non-guaranteed elements are shown they must be shown at the same durations as the corresponding guaranteed elements, if any. If no guaranteed benefit or value is available at any duration for which a non-guaranteed benefit or value is shown, a zero shall be displayed in the guaranteed column.

Section 1406.60 Standards for Supplemental Illustrations

a) A supplemental illustration may be provided so long as:

- 1) It is appended to, accompanied by or preceded by a basic illustration that complies with this Part;
 - 2) The non-guaranteed elements shown are not more favorable to the policyowner than the corresponding elements based on the scale used in the basic illustration;
 - 3) It contains the same statement required of a basic illustration that non-guaranteed elements are not guaranteed; and
 - 4) For a policy that has a contract premium, the contract premium underlying the supplemental illustration is equal to the contract premium shown in the basic illustration. For policies that do not require a contract premium, the premium outlay underlying the supplemental illustration shall be equal to premium outlay shown in the basic illustration.
- b) The supplemental illustration shall include a notice referring to the basic illustration for guaranteed elements and other important information.

Section 1406.70 General Rules and Prohibitions

a) An illustration used in the sale of an individual or group life insurance policy shall satisfy the applicable requirements of this Part, be clearly labeled "Life Insurance Illustration" and contain the following basic information:

- 1) Name of insurer;
- 2) Name and business address of insurance producer or insurer's authorized representative, if any;
- 3) Name, age and sex of proposed insured, except where a composite illustration is permitted pursuant to this Part;
- 4) Underwriting or rating classification upon which the illustration is based;
- 5) Generic name of policy, the insurer product name, if different, and form number;
- 6) Initial death benefit; and

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7) Dividend option election or application of non-guaranteed elements, if applicable.

b) When using an illustration in the sale of an individual or group life insurance policy, an insurer or its insurance producers or other authorized representatives shall not:

- 1) Represent the policy as anything other than a life insurance policy;
 - 2) Use or describe non-guaranteed elements in a manner that is misleading, or has the capacity or tendency to mislead;
 - 3) State or imply that the payment or amount of non-guaranteed elements is guaranteed;
 - 4) Use an illustration that does not comply with the requirements of this Part;
 - 5) Use an illustration that at any policy duration depicts policy performance more favorable to the policyowner than that produced by the illustrated scale of the insurer whose policy is being illustrated;
 - 6) Provide an applicant with an incomplete illustration;
 - 7) Represent in any way that premium payments will not be required for each year of the policy in order to maintain the illustrated death benefits, unless that is the fact;
 - 8) Use the term "vanish" or "vanishing premium," or a similar term that implies the policy becomes paid up, to describe a plan for using non-guaranteed elements to pay a portion of future premiums;
 - 9) Except for policies that can never develop nonforfeiture values, use an illustration that is "lapse-supported"; or
 - 10) Use an illustration that is not "self-supporting."
- c) If an interest rate used to determine the illustrated non-guaranteed elements is shown, it shall not be greater than the earned interest rate underlying the disciplined current scale.

Section 1406.80 Delivery of Illustrations and Record Retention

a) If a basic illustration:

- 1) Is used by an insurance producer or other authorized representative of the insurer in the sale of a life insurance policy and the policy is applied for as illustrated, a copy of that illustration, signed in accordance with Section 1406.50(d)(2), shall be submitted to the insurer at the time of policy application. A copy also shall be provided to the applicant.
- 2) Is revised due to the policy being issued other than as applied for, a revised basic illustration conforming to the policy as issued shall be sent with the policy. The revised illustration shall conform to the requirements of this Part, shall be labeled "Revised Illustration" and shall be signed and dated by the applicant or policyowner and insurance producer or other

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authorized representative of the insurer no later than the time the policy is delivered. A copy shall be provided to the insurer and the policyowner.

b) If no illustration:

1) Is used by an insurance producer or other authorized representative in the sale of a life insurance policy or if the policy is applied for other than as illustrated, the insurance producer or representative shall certify to that effect in writing on a form provided by the insurer. On the same form the applicant shall acknowledge that no illustration conforming to the policy applied for was provided and shall further acknowledge an understanding that an illustration conforming to the policy as issued will be provided no later than at the time of policy delivery. This form shall be submitted to the insurer at the time of policy application.

2) Is used at the time of application, basic illustration conforming to the policy as issued shall be sent with the policy and signed by the insurance producer and the policyowner no later than the time the policy is delivered. A copy shall be provided to the insurer and the policyowner.

c) If the basic illustration or revised illustration is sent to the applicant or policyowner by mail from the insurer, it shall include instructions for the applicant or policyowner to sign the duplicate copy of the numeric summary page of the illustration for the policy issued and return the signed copy to the insurer. The insurer's obligation under this subsection shall be satisfied if it can demonstrate that it has made a diligent effort to secure a signed copy of the numeric summary page. The requirement to make a diligent effort shall be deemed satisfied if the insurer includes in the mailing a self-addressed postage pre-paid envelope with instructions for the return of the signed numeric summary page.

d) A copy of the basic illustration and a revised basic illustration, if any, signed as applicable, along with any certification that either no illustration was used or that the policy was applied for other than as illustrated, shall be retained by the insurer until 3 years after the policy is no longer in force. A copy need not be retained if no policy is issued.

Section 1406.90 Annual Report - Notice to Policyowners

a) In the case of a policy designated as one for which illustrations will be used, the insurer shall provide each policyowner with an annual report on the status of the policy that shall contain at least the following information:

- 1) For universal life policies, the report shall include the following:
 - A) The beginning and end date of the current report period;
 - B) The policy value at the end of the previous report period

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and at the end of the current report period;

- C) The total amounts that have been credited or debited to the policy value during the current report period, identifying each by type (e.g., interest, mortality, expense and riders);
- D) The current death benefit at the end of the current report period on each life covered by the policy;
- E) The net cash surrender value of the policy as of the end of the current report period;
- F) The amount of outstanding loans, if any, as of the end of the current report period; and

G) Either:

- i) For fixed premium policies, if, assuming guaranteed interest, mortality and expense loads and continued scheduled premium payments, the policy's net cash surrender value is such that it would not maintain insurance in force until the end of the next reporting period, a notice to this effect shall be included in the report; or
- ii) For flexible premium policies, if, assuming guaranteed interest, mortality and expense loads, the policy's net cash surrender value will not maintain insurance in force until the end of the next reporting period unless further premium payments are made, a notice to this effect shall be included in the report.

2) For all other policies, where applicable:

- A) Current death benefit;
- B) Annual contract premium;
- C) Current cash surrender value;
- D) Current dividend;
- E) Application of current dividend; and
- F) Amount of outstanding loan.

3) Insurers writing life insurance policies that do not build nonforfeiture values shall only be required to provide an annual report with respect to these policies for those years when a change has been made to non-guaranteed policy elements by the insurer.

- b) If the annual report does not include an in force illustration, it shall contain the following notice displayed prominently: **"IMPORTANT POLICY OWNER NOTICE:** You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by calling [insurer's phone number], writing to [insurer's name] at [insurer's address] or contacting your insurance producer. If you do not receive a current illustration of your policy within 30 days from your request, you should contact the Department of Insurance." The

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insurer may vary the sequential order of the methods for obtaining an in force illustration.

- c) Upon the request of the policyowner, the insurer shall furnish an in force illustration of current and future benefits and values based on the insurer's present illustrated scale. This illustration shall comply with the requirements of Section 1406.70(a) through (c) and Section 1406.50(a) and (e) of this Part. No signature or other acknowledgment of receipt of this illustration will be required.
- d) If an adverse change in non-guaranteed elements that could affect the policy has been made by the insurer since the last annual report, the annual report shall contain a notice of that fact and the nature of the change will be prominently displayed.

Section 1406.100 Annual Certifications

- a) The Board of Directors of each insurer shall appoint one or more illustration actuaries.
- b) The illustration actuary shall certify that the disciplined current scale used in illustrations is in conformity with the Actuarial Standard of Practice No. 24, Compliance with the NAIC Life Insurance Illustrations Model Regulation promulgated by the Actuarial Standards Board (ASB), (1720 I Street, N.W., 7th Floor, Washington, DC 20006), and that the illustrated scales used in insurer-authorized illustrations meet the requirements of this Part.
- c) The illustration actuary shall:

- 1) Be a member of the American Academy of Actuaries;
- 2) Be familiar with the standard of practice regarding life insurance policy illustrations;
- 3) Not have been found by the Director, following appropriate notice and hearing, to have:
 - A) Violated any provision of, or any obligation imposed by, the insurance law or other law in the course of his or her dealings as an illustration actuary;
 - B) Been found guilty of fraudulent or dishonest practices;
 - C) Demonstrated his or her incompetence, lack of cooperation, or untrustworthiness to act as an illustration actuary; or
 - D) Resigned or been removed as an illustration actuary within the past 5 years as a result of acts or omissions indicated in any adverse report on examination or as a result of a failure to adhere to generally acceptable actuarial standards;
- 4) Not fail to notify the Director of any action taken by a commissioner of another state similar to that identified under subsection (c)(3) of this Section;
- 5) Disclose in the annual certification whether, since the last certification, a currently payable scale applicable for business issued within the previous 5 years and within the scope of the certification has been reduced for reasons other than changes in

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the experience factors underlying the disciplined current scale. If non-guaranteed elements illustrated for new policies are not consistent with those illustrated for similar in force policies, this must be disclosed in the annual certification. If non-guaranteed elements illustrated for both new and in force policies are not consistent with the non-guaranteed elements actually being paid, charged or credited to the same or similar forms, this must be disclosed in the annual certification; and

- 6) Disclose in the annual certification the method used to allocate overhead expenses for all illustrations:
 - A) Fully allocated expenses;
 - B) Marginal expenses; or
 - C) A generally recognized expense table based on fully allocated expenses representing a significant portion of insurance companies and approved by the National Association of Insurance Commissioners or by the Director.
- d) The illustration actuary shall:
 - 1) File a certification with the insurer's Board of Directors:
 - A) Annually for all policy forms for which illustrations are used; and
 - B) Before a new policy form is illustrated.
 - 2) If an error in a previous certification is discovered, the illustration actuary shall notify the insurer's Board of Directors promptly.
- e) If an illustration actuary is unable to certify the scale for any policy form illustration the insurer intends to use, the actuary shall notify the Board of Directors of the insurer promptly of his or her inability to certify.
- f) An annual certification shall be filed with the Director by the insurer by no later than December 31 of each year for the 12 months immediately preceding the certification date itself. For the initial 1998 filing, the insurer shall provide a certification for the calendar months which follow the effective date of this Part. The insurer shall submit the actuarial certification as required by subsection (d) of this Section to the Life, Accident/Health Compliance Unit of the Illinois Department of Insurance. A responsible officer of the insurer, other than the illustration actuary, shall certify:
 - 1) That the illustration formats meet the requirements of this Part and that the scales used in insurer-authorized illustrations are those scales certified by the illustration actuary; and
 - 2) That the insurer has provided its insurance producers with information about the expense allocation method used by the insurer in its illustrations and disclosed as required by subsection (b)(3) of this Section.
- g) If an insurer changes the illustration actuary responsible for all or a portion of the insurer's policy forms, the insurer shall notify the Director of that fact promptly and disclose the reason for the change.

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Section 1406.110 Penalties

In addition to any penalties authorized by the Illinois Insurance Code, an insurer or insurance producer who violates a requirement of this Part may be in violation of other State laws or regulations.

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1) Heading of the Part: Life Insurance Solicitation

2) Code Citation: 50 Ill. Adm. Code 930

3) Section Number: Adopted Action:

930.10 Amended

930.20 Amended

930.30 Amended

930.40 Amended

930.50 Amended

930.60 Amended

930.70 Amended

930.80 Amended

930.90 Amended

930.EXHIBIT A Amended

4) Statutory Authority: Implementing Article XXVI and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/421 and 401].

5) Effective Date of Amendments: June 1, 1998

6) Does this amendment contain an automatic repeal date? No

7) Does this amendment contain incorporations by reference? No

8) Date filed in Agency's Principal Office: January 27, 1998

9) Notice of Proposal Published in Illinois Register: April 18, 1997, 21 Ill. Reg. 4917

10) Has JCAR issued a Statement of Objections to this amendment? No

11) Difference(s) between proposal and final version: There are no differences between the proposed and final versions.

12) Have all changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? No changes were made.

13) Will this amendment replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of rulemaking: The Department is amending Part 930 to make the language consistent with the new Life Illustrations model rule from the NAIC.

16) Information and questions regarding this adopted Amendment shall be directed to:

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Betty Jo Teer
Department of Insurance
320 West Washington
Springfield, Illinois 62767-0001
217/785-7349

The full text of the Adopted Amendments begins on the next page.

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TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER 1: PROVISIONS APPLICABLE TO ALL COMPANIES

PART 930
LIFE INSURANCE SOLICITATION

Section	
930.10	Authority
930.20	Purpose
930.30	Scope
930.40	Definitions
930.50	Disclosure Requirements
930.60	Preneed Funeral Contracts or Prearrangements
930.70	General Rules (Renumbered)
930.80	Life Insurance Buyer's Guide, Language and Content (Renumbered)
930.90	Failure to Comply (Renumbered)
EXHIBIT	Exhibit A Life Insurance Buyer's Guide

AUTHORITY: Implementing Article XXVI and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/421 et seq. and 401].

SOURCE: Adopted at 4 Ill. Reg. 15, p. 177, effective July 1, 1980; codified at 7 Ill. Reg. 2364; amended at 14 Ill. Reg. 14594, effective August 14, 1990; amended at 15 Ill. Reg. 18162, effective December 9, 1991; amended at 20 Ill. Reg. 4313, effective March 4, 1996; recodified at 20 Ill. Reg. 5735; amended at 22 Ill. Reg. ~~6633~~, effective ~~JUN 01 1993~~.

Section 930.10 Authority

This Part is adopted and promulgated by the Director of Insurance pursuant to Section 401 and Article XXVI of the Illinois Insurance Code [215 ILCS 5/421 and 401] ~~(Ill. Reg. 1987, ch. 73, par. 1013 and 1028 et seq.)~~ relating to unfair methods of competition and unfair deceptive acts and practices.

(Source: Amended at 22 Ill. Reg. ~~6633~~, effective ~~JUN 01 1993~~.)

Section 930.20 Purpose

- The purpose of this Part is to require insurers to deliver to purchasers of life insurance, information which will improve the buyer's ability to select the most appropriate plan of life insurance for his needs, improve the buyer's understanding of the basic features of the policy which has been purchased or which is under consideration and improve the ability of the buyer to evaluate the relative costs of similar plans of life insurance.
- This Part does not prohibit the use of additional material which is

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not in violation of this Part regulation or any other statute or regulation.

(Source: Amended at 22 Ill. Reg. 3058, effective JUN 01 1998)

Section 930.30 Scope

- a) This Except-as-hereafter-exempted--this Part shall apply to any solicitation, negotiation or procurement of life insurance occurring within this State. This Part shall apply to any issuer of life insurance contracts including fraternal benefit societies.
- b) This Part Unless--otherwise--specifically--included--this--regulation shall not apply to:
- 1) Annuities.
 - 2) Credit life insurance.
 - 3) Group life insurance (except for disclosures relating to preneed funeral contracts or prearrangements as provided in this Part; these herein--these disclosure requirements shall extend to the issuance or delivery of certificates as well as to the master policy-).
 - 4) Franchise life insurance as defined in Construction and Filing of Life Insurance and Annuity Forms (50 Ill. Adm. Code 1405).
 - 5) Life insurance policies issued in connection with pension and welfare plans as defined by 4 and which are subject to the federal Employee Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. 1001 et seq.).
 - 6) Variable life insurance under which the death benefits and cash values vary in accordance with unit values of investments held in a separate account.

(Source: Amended at 22 Ill. Reg. 3058, effective JUN 01 1998)

Section 930.40 Definitions

For the purposes of this Part regulation, the following definitions shall apply:

- "Buyer's Guide". A Buyer's Guide is a document which contains, and is limited to, the language contained in Exhibit A prescribed by Section 930.80 of this Part.
- "Cash Dividend". A Cash Dividend is the current illustrated dividend which can be applied toward payment of the gross premium.
- "Equivalent Level Annual Dividend". The Equivalent Level Annual Dividend is calculated by applying the following steps:
 - 1) Accumulate the annual cash dividends at five percent interest compounded annually to the end of the tenth and twentieth policy years.

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- 2) Divide each accumulation of subsection (c)(1) above by an interest factor that converts it into one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the values in subsection (c)(1) over the respective periods stipulated in subsection (c)(1). If the period is ten years, the factor is 13.207 and if the period is twenty years, the factor is 34.719.

- 3) Divide the results of subsection (c)(2) by the number of thousands of the Equivalent Level Death Benefit to arrive at the Equivalent Level Annual Dividend.

- d) "Equivalent Level Death Benefit". The Equivalent Level Death Benefit of a policy or term life insurance rider is an amount calculated as follows:

- 1) Accumulate the guaranteed amount payable upon death, regardless of the cause of death, at the beginning of each policy year for ten and twenty years at five per cent interest compounded annually to the end of the tenth and twentieth policy years respectively.

- 2) Divide each accumulation of subsection (d)(1) above by an interest factor that converts it into one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the value in subsection (d)(1) over the respective periods stipulated in subsection (d)(1). If the period is ten years, the factor is 13.207 and if the period is twenty years, the factor is 34.719.

- e) "Generic Name". Generic Name means a short title which is descriptive of the premium and benefit patterns of a policy or a rider.

- f) Guaranteed elements means the premiums, benefits, values, credits or charges under a policy of life insurance that are guaranteed and determined at issue.

- gf) "Life Insurance Cost Indexes".

- 1) Life Insurance Surrender Cost Index. The Life Insurance Surrender Cost Index is calculated by applying the following steps:

- A) Determine the guaranteed cash surrender value, if any.
- B) For participating policies, add the terminal dividend payable upon surrender, if any, to the accumulation of the annual Cash Dividends at five percent interest compounded annually to the end of the period selected and add this sum to the amount determined in subsection (g)(1)(A).
- C) Divide the result of subsection (g)(1)(B) (subsection (g)(1)(A) for guaranteed-cost policies) by an interest factor that converts it into an equivalent level annual amount that, if paid at the beginning of each year, would accrue to the value in subsection (g)(1)(B) (subsection (g)(1)(A) for guaranteed cost policies) over the respective periods stipulated in subsection (g)(1)(A). If the period is ten years, the factor is 13.207 and if the period is

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- twenty years, the factor is 34.719.
- D) Determine the equivalent level premium by accumulating each annual premium payable for the basic policy or rider at five percent interest compounded annually to the end of the period stipulated in subsection (g)(1)(A) and dividing the result by the respective factors stated in subsection (g)(1)(C) (this amount is the annual premium payable for a level premium plan).
- E) Subtract the result of subsection (g)(1)(C) from subsection (g)(1)(D).
- F) Divide the result of subsection (g)(1)(E) by the number of thousands of the Equivalent Level Death Benefit to arrive at the Life Insurance Surrender Cost Index.
- 2) "Life Insurance Net Payment Cost Index". The Life Insurance Net Payment Cost Index is calculated in the same manner as the comparable Life Insurance Cost Index except that the cash surrender value and any terminal dividend are set at zero.
- h) Non-guaranteed elements means the premiums, benefits, values, credits or charges under a policy of life insurance that are not guaranteed or not determined at issue.

ig) Policy Summary.

- 1) "Policy Summary".--For the purposes of this Part, Policy Summary means a written statement describing the elements of the policy including but not limited to:
- A) A prominently placed title as follows: STATEMENT OF POLICY COST AND BENEFIT INFORMATION.

B) The name and address of the insurance agent, or, if no agent is involved, a statement of the procedure to be followed in order to receive responses to inquiries regarding the Policy Summary.

C) The full name and home office or administrative office address of the company in which the life insurance policy is to be or has been written.

D) The Generic Name of the basic policy and each rider.

E) The following amounts, where applicable, for the first five policy years and representative policy years thereafter sufficient to clearly illustrate the premium and benefit patterns, including, but not necessarily limited to, the years for which Life Insurance Cost Indexes are displayed and at least one age from 60 ~~sixty~~ through 65 ~~sixty-five~~ or maturity whichever is earlier:

- i) The annual premium for the basic policy.
- ii) The annual premium for each optional rider.
- iii) Guaranteed amount payable upon death, at the beginning of the policy year regardless of the cause of death other than suicide, or other specifically enumerated exclusions, which is provided by the basic policy and each optional rider, with benefits provided under the

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- basic policy and each rider shown separately.
- Total guaranteed cash surrender values at the end of the year with values shown separately for the basic policy and each rider.
- v) Cash Dividends payable at the end of the year with values shown separately for the basic policy and each rider. (Dividends need not be displayed beyond the twentieth policy year.)
- vi) Guaranteed endowment amounts payable under the policy which are not included under guaranteed cash surrender values above.
- F) The effective policy loan annual percentage interest rate, if the policy contains this provision, specifying whether this rate is applied in advance or in arrears. If the policy loan interest rate is variable, the Policy Summary includes the maximum annual percentage rate.
- G) Life Insurance Cost Indexes for ten and twenty years but in no case beyond the premium paying period. Separate indexes are displayed for the basic policy and for each optional term life insurance rider. Such indexes need not be included for optional riders which are limited to benefits such as accidental death benefits, disability waiver of premium, preliminary term life insurance coverage of less than 12 months and guaranteed insurability benefits nor for the basic policies or optional riders covering more than one life.
- H) The Equivalent Level Annual Dividend, in the case of participating policies and participating optional term life insurance riders, under the same circumstances and for the same durations at which Life Insurance Cost Indexes are displayed.
- I) A Policy Summary which includes dividends shall also include a statement that dividends are based on the company's current dividend scale and are not guaranteed in addition to a statement in close proximity to the Equivalent Level Annual Dividend as follows: An explanation of the intended use of the Equivalent Level Annual Dividend is included in the Life Insurance Buyer's Guide.
- J) A statement in close proximity to the Life Insurance Cost Indexes as follows: An explanation of the intended use of these indexes is provided in the Life Insurance Buyer's Guide.
- K) The date on which the Policy Summary is prepared.
- 2) The Policy Summary must consist of a separate document. All information required to be disclosed must be set out in such a manner as to not minimize or render any portion thereof obscure. Any amounts which remain level for two or more years of the policy may be represented by a single number if it is clearly

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indicated what amounts are applicable for each policy year. Amounts in subsection (i)(7)(1)(E) above shall be listed in total, not on a per thousand nor per unit basis. If more than one insured is covered under one policy or rider, guaranteed death benefits shall be displayed separately for each insured or for each class of insureds if death benefits do not differ within the class. Zero amounts shall be displayed as zero and shall not be displayed as a blank space.

- (h) "Preneed Funeral Contract or Prearrangement". An agreement by or for an individual before that individual's death relating to the purchase or provision of specific funeral or cemetery merchandise or services.

(Source: Amended at 22 Ill. Reg. 6-1-93, effective JUN 01 1993)

Section 930.50 Disclosure Requirements

- a) Except for in the case of a direct response insurance product, the insurer shall provide, to all prospective purchasers, a Buyer's Guide prior to accepting the applicant's initial premium or premium deposit. The Buyer's Guide must be delivered with a direct response policy or prior to delivery of a direct response policy. A Policy Summary must be delivered with or prior to delivery of either an agent solicited policy or direct response policy.
- b) The insurer shall provide a Buyer's Guide and a Policy Summary to any prospective purchaser upon request.

- c) In the case of policies whose Equivalent Level Death Benefit does not exceed \$5,000, the requirement for providing a Policy Summary will be satisfied by delivery of a written statement containing the information described in Section 930.40(i)(7)(1)(B)-(E)(iii), (i)(7)(1)(F), (i)(7)(1)(G), (i)(7)(1)(J), and (i)(7)(1)(K).

- d) A policy summary is not required to include information available in the policy form or illustrations. If an illustration subject to the requirements of 50 Ill. Adm. Code 1406.50(b) is used in the sale of a policy, a policy summary does not have to be provided. Only "guaranteed elements" may be shown in the policy summary.

(Source: Amended at 22 Ill. Reg. 6-1-93, effective JUN 01 1993)

Section 930.60 Preneed Funeral Contracts or Prearrangements

- a) The following information shall be given in writing to the applicant at the time an application is made, prior to accepting the applicant's initial premium or deposit for a preneed funeral contract or prearrangement as defined in Section 930.50(i)(4) above which is funded or to be funded by a life insurance policy:

- 1a) the fact that a life insurance policy is involved or being

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used to fund a prearrangement, 2b) the nature of the relationship among the soliciting agent or agents, the provider of the funeral or cemetery merchandise or services, and any other person, 3c) the relationship of the life insurance policy to the funding of the prearrangement and the nature and existence of any guarantees relating to the prearrangement, 4d) the impact on the prearrangement:

- A1) of any changes in the life insurance policy including but not limited to, changes in the assignment, beneficiary designation or use of the proceeds, B2) of any penalties to be incurred by the policyholder as a result of failure to make premium payments,

- C3) of any penalties to be incurred or monies to be received as a result of cancellation or surrender of the life insurance policy, 5d) the fact that the family or representative of the deceased has the right to change the choice of the provider of the funeral/cemetery merchandise and services upon the demise of the insured,

- 6e) an itemized list of the merchandise and services which are applied or contracted for in the prearrangement and all information concerning the price of the funeral service, including an indication that the purchase price is either guaranteed at the time of purchase or to be determined at the time of need, 7f) all information concerning:

- A1) the disposition of any proceeds from the policy in excess of the amount needed to fund the prearrangement; and B2) any remaining or outstanding obligations of the estate for payment of any difference between the amount actually needed to fund the prearrangement and the life insurance policy proceeds; and

- C3) payment of proceeds to a secondary beneficiary in the event the policy proceeds exceed the prearranged costs of the funeral/cemetery merchandise and services,

- 8g) any penalties or restrictions, including but not limited to geographic restrictions or the inability of the provider to perform, on the delivery of merchandise, services or the prearrangement guarantee.

- b) No person shall be designated the owner of a life insurance policy used to fund a prearrangement if the person's only insurable interest in the insured is the receipt of the proceeds from the policy or in naming who shall receive the proceeds. Such persons would include the funeral home providing the services and the insurance producer who sold the policy.

(Source: Amended at 22 Ill. Reg. 6-1-93, effective JUN 01 1993)

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Section 930.70 General Rules (Renumbered)

- a) Each insurer shall maintain at its home office or principal office, a complete file containing one copy of each document authorized by the insurer for use pursuant to this Part regulation. Such file shall contain one copy of each authorized form for a period of three years following the date of its last authorized use.
- b) An agent shall inform the prospective purchaser, prior to commencing a life insurance sales presentation, that he is acting as a life insurance agent and inform the prospective purchaser of the full name of the insurance company which he is representing to the buyer. In sales situations in which an agent is not involved, the insurer shall identify its full name.
- c) Terms such as financial planner, investment advisor, financial consultant, or financial counseling shall not be used in such a way as to imply that the insurance agent is generally engaged in an advisory business in which compensation is unrelated to sales unless such is actually the case.
- d) Any reference to policy dividends must include a statement that dividends are not guaranteed.
- e) A system or presentation which does not recognize the time value of money through the use of appropriate interest adjustments shall not be used for comparing the cost of two or more life insurance policies. Such a system may be used for the purpose of demonstrating the cash-flow pattern of a policy if such presentation is accompanied by a statement disclosing that the presentation does not recognize that, because of interest, a dollar in the future has less value than a dollar today.
- f) A presentation of benefits shall not display guaranteed and non-guaranteed benefits as a single sum unless they are shown separately in close proximity thereto.
- g) A statement regarding the use of the Life Insurance Cost Indexes shall include an explanation to the effect that the indexes are useful only for the comparison of the relative costs of two or more similar policies.
- h) A Life Insurance Code Index which reflects dividends or an Equivalent Level Annual Dividend shall be accompanied by a statement that it is based on the company's current dividend scale and is not guaranteed.
- i) For the purposes of this Part Rule, the annual premium for a basic policy or rider, for which the company reserves the right to change the premium, shall be the maximum annual premium.

(Source: Amended at JUN 01 1998, effective 22 Ill. Reg.),

Section 930.80 Life Insurance Buyer's Guide, Language and Content (Renumbered)

The form requirements of the Life Insurance Buyer's Guide are ~~is-to-be found in Exhibit A of this Part, as-it-appears-in-the-Rules-and-Regulations-of-Illinois Insurance-Department-as-prepared-by-the-National-Insurance-Bow--Service-~~ The reproduction of the Buyer's Guide should be as specified in Exhibit A with the one exception that the designation Exhibit A assigned by the Illinois Department of Insurance ~~Department~~ should not be used.

(Source: Amended at JUN 01 1998, effective 22 Ill. Reg.),

Section 930.90 Failure to Comply (Renumbered)

Failure of an insurer to provide or deliver a Buyer's Guide, or a Policy Summary as provided in Section 930.50 shall constitute an omission which misrepresents the benefits, advantages, conditions or terms of an insurance policy.

(Source: Amended at JUN 01 1998, effective 22 Ill. Reg.),

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Section 930. EXHIBIT A Life Insurance Buyer's Guide

(The face page of the Buyer's Guide shall read as follows)

LIFE INSURANCE BUYER'S GUIDE

This guide can show you how to save money when you shop for life insurance. It helps you to:

- Decide how much life insurance you should buy,
- Decide what kind of life insurance policy you need, and
- Compare the relative cost of similar life insurance policies.

This guide has been prepared by the Illinois Department of Insurance, in part using materials developed by National Association of Insurance Commissioners.

(The following language shall appear at the bottom of page 2)

The National Association of Insurance Commissioners is an association of state insurance regulatory officials. This association helps the various State Insurance Departments to coordinate insurance laws for the benefit of all consumers. You are urged to use this Guide in making a life insurance purchase.

THIS GUIDE DOES NOT ENDORSE ANY COMPANY OR POLICY

(The remaining text of the Buyer's Guide shall begin on page 3 as follows)

Buying Life Insurance

When you buy life insurance, you want a policy which fits your needs without costing too much. Your first step is to decide how much you need, how much you can afford to pay and the kind of policy you want. Then, find out what various companies charge for that kind of policy. You can find important differences in the cost of life insurance by using the life insurance cost indexes which are described in this guide. A good life insurance agent or company will be able and willing to help you with each of these shopping steps.

If you are going to make a good choice when you buy life insurance, you need to understand which kinds are available. If one kind does not seem to fit your needs, ask about the other kinds which are described in this guide. If you feel that you need more information than is given here, you may want to check with a life insurance agent or company or books on life insurance in your public library. Life insurance can be bought either on an individual basis or on a group basis. Group insurance may be inexpensive when compared to individual insurance. It is important to remember that insurance purchased on this basis is usually term insurance, and hence will not develop cash values, and is dependent on your continued membership in the group or employment.

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Also, the amount of insurance that is available for purchase is usually limited.

Choosing the Amount

One way to decide how much life insurance you need is to figure how much cash and income your dependents would need if you were to die. Life insurance can provide cash for last expenses, and income for you family's future living expenses.

Your insurance should come as close as you can afford to make up the difference between (1) what your dependents would have if you were to die now, and (2) what they would actually need at some time in the future when needs change.

Choosing the Right Kind

All life insurance policies agree to pay an amount of money if you die. But all policies are not the same. There are three basic kinds of life insurance:

1. Term insurance
2. Whole life insurance
3. Endowment insurance

The kind of life insurance you purchase is dependent on the need you are trying to satisfy. Some needs are temporary, i.e. do not exist throughout your life, while other needs are permanent. As an example, the need to finance your children's education is a temporary need. The need to meet mortgage payments is also a temporary need since it exists only while the mortgage exists. On the other hand, the financial needs of your family after your death is a permanent need.

Remember, no matter how fancy the policy title or sales presentation might appear, all life insurance policies contain one or more of the three basic kinds. If you are confused about a policy that sounds complicated, ask the agent ~~or--company~~ if it combines more than one kind of life insurance. The following is a brief description of the three basic kinds:

Term Insurance

Term insurance is death protection for a "term" of one or more years. Death benefits will be paid only if you die within that term of years. Term insurance generally provides the largest immediate death protection for your premium dollar.

Some term insurance policies are "renewable" for one or more additional terms even if your health has changed. Each time you renew the policy for a new

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term, premiums will be higher. You should check the premiums at older ages and the length of time the policy can be continued.

Some term insurance policies are also "convertible." This means that before the end of the conversion period, you may trade the term policy for a whole life or endowment insurance policy even if you are not in good health. Premiums for the new policy will be higher than you have been paying for the term insurance.

Whole Life Insurance

Whole life insurance gives death protection for as long as you live. The most common type is called "straight life" or "ordinary life" insurance, for which you pay the same premiums for as long as you live. These premiums can be several times higher than you would pay initially for the same amount of term insurance. But they are smaller than the premiums you would eventually pay if you were to keep renewing a term insurance policy until your later years.

Some whole life policies let you pay premiums for a shorter period such as 20 years, or until age 65. Premiums for these policies are higher than for ordinary life insurance since the premium payments are squeezed into a shorter period.

Although you pay higher premiums, to begin with, for whole life insurance than for term insurance, whole life insurance policies develop "cash values" which you may have if you stop paying premiums. You can generally either take the cash, or use it to buy some continuing insurance protection. Technically speaking, these values are called "nonforfeiture benefits." This refers to benefits you do not lose (or "forfeit") when you stop paying premiums. The amount of these benefits depends on the kind of policy you have, its size, and how long you have owned it.

A policy with cash values may also be used as collateral for a loan. If you borrow from the life insurance company, the rate of interest is shown in your policy. Any money which you owe on a policy loan would be deducted from the benefits if you were to die, or from the cash value if you were to stop paying premiums.

Endowment Insurance

An endowment insurance policy pays a sum or income to you - the policyholder - if you live to a certain age. If you were to die before then, the death benefit would be paid to your beneficiary. Premiums and cash values for endowment insurance are higher than for the same amount of whole life insurance. Thus endowment insurance gives you the least amount of death protection for your premium dollar.

Finding a Low Cost Policy

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After you have decided which kind of life insurance fits your needs, look for a good buy. YOUR CHANGES OF FINDING A GOOD BUY ARE BETTER IF YOU USE TWO TYPES OF INDEX NUMBERS THAT HAVE BEEN DEVELOPED TO AID IN SHOPPING FOR LIFE INSURANCE. One is called the "Surrender Cost Index" and the other is the "Net Payment Cost Index." It will be worth your time to try to understand how these indexes are used, but in any event, use them ONLY for comparing the relative costs of similar policies. LOOK FOR POLICIES WITH LOW COST INDEX NUMBERS.

What Is Cost?

"Cost" is the difference between what you pay and what you get back. If you pay a premium for life insurance and get nothing back, your cost for the death protection is the premium. If you pay a premium and get something back later on, such as a cash value, your cost is smaller than the premium.

The cost of some policies can also be reduced by dividends; these are called "participating" policies. Companies may tell you what their current dividends are, but the size of future dividends is unknown today and cannot be guaranteed. Dividends actually paid are set each year by the company.

Some policies do not pay dividends. These are called "guaranteed cost" or "non-participating" policies. Every feature of a guaranteed cost policy is fixed so that you know in advance what your future cost will be.

The premiums and cash values of a participating policy are guaranteed, but the dividends are not. Premiums for participating policies are typically higher than for guaranteed cost policies, but the cost to you may be higher or lower, depending on the dividends actually paid.

What Are Cost Indexes?

In order to compare the cost of policies, you need to look at:

1. Premiums
2. Cash Values
3. Dividends

Cost indexes use one or more of these factors to give you a convenient way to compare relative costs of similar policies. When you compare costs, an adjustment must be made to take into account that money is paid and received at different times. It is not enough to just add up the premiums you will pay and to subtract the cash values and dividends you expect to get back. These indexes take care of the arithmetic for you. Instead of having to add, subtract, multiply and divide many numbers yourself, you just compare the index numbers which you can get from life insurance agents and companies:

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1. Life Insurance Surrender Cost Index. This index is useful if you consider the level of the cash values to be of primary importance to you. It helps you compare costs if at some future point in time, such as 10 or 20 years, you were to surrender the policy and take its cash value.
2. Life Insurance Net Payment Cost Index. This index is useful if your main concern is the benefits that are to be paid at your death and if the level of cash values is of secondary importance to you. It helps you compare costs at some future point in time, such as 10 or 20 years, if you continue paying premiums on your policy and do not take its cash value.

There is another number called the Equivalent Level Annual Dividend. It shows the part dividends play in determining the cost index of a participating policy. Adding a policy's Equivalent Level Annual Dividend to its cost index allows you to compare total costs of similar policies before deducting dividends. However, if you make any cost comparisons of a participating policy with a non-participating policy, remember that the total cost of the participating policy will be reduced by dividends, but the cost of the non-participating policy will not change.

How Do I Use Cost Indexes?

The most important thing to remember when using cost indexes is that a policy with a small index number is generally a better buy than a comparable policy with a larger index number. The following rules are also important:

- (1) Cost comparisons should only be made between similar plans of life insurance. Similar plans are those which provide essentially the same basic benefits and require premium payments for approximately the same period of time. The closer policies are to being identical, the more reliable the cost comparison will be.
- (2) Compare index numbers only for the kind of policy, for your age and for the amount you intend to buy. Since no one company offers the lowest cost for all types of insurance at all ages and for all amounts of insurance, it is important that you get the indexes for the actual policy, age and amount which you intend to buy. Just because a "Shopper's Guide" tells you that one company's policy is a good buy for a particular age and amount, you should not assume that all of that company's policies are equally good buys.
- (3) Small differences in index numbers could be offset by other policy features, or differences in the quality of service you may expect from the company or its agent. Therefore, when you find

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small differences in cost indexes, your choice should be based on something other than cost.

- (4) In any event, you will need other information on which to base your purchase decision. BE SURE YOU CAN AFFORD THE PREMIUMS, AND THAT YOU UNDERSTAND ITS ASH VALUES, DIVIDENDS AND DEATH BENEFITS. You should also make a judgement on how well the life insurance company or agent will provide service in the future, to you as a policyholder.
- (5) These life insurance cost indexes apply to new policies and should not be used to determine whether you should drop a policy you have already owned for awhile, in favor of a new one. If such a replacement is suggested, you should ask for information from the company which issued the old policy before you take action.
- (6) An important fact to note is the difference in premium payments paid during one year's time based on an annual premium versus the annualized periodic premium. For example, if you choose to pay premiums on a monthly basis, the annualized periodic premium would be twelve (12) times the monthly premium. There may be a significant difference between the annualized periodic premium and the annual premium and it should be considered when deciding on a payment schedule.

Important Things to Remember - A Summary

The first decision you must make when buying a life insurance policy is choosing a policy whose benefits and premiums most closely meet your needs and ability to pay. Next, find a policy which is also a relatively good buy. If you compare Surrender Cost Indexes and Net Payment Cost Indexes of similar competing policies, your chances of finding a relatively good buy will be better than if you do not shop. REMEMBER, LOOK FOR POLICIES WITH LOWER COST INDEX NUMBERS. A good life insurance agent can help you to choose the amount of life insurance and kind of policy you want and will give you cost indexes so that you can make cost comparisons of similar policies. DON'T BUY LIFE INSURANCE UNLESS YOU INTEND TO STICK WITH IT. A policy which is a good buy when held for 20 years can be very costly if you quit during the early years of the policy. If you surrender such a policy during the first few years, you may get little or nothing back and much of your premium may have been used for company expenses.

Read your new policy carefully, and ask the agent or company for an explanation of anything you do not understand. Whatever you decide now, it is important to review your life insurance program every few years to keep up with changes in your income and responsibilities.

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(Source: Amended JUN 01 1998)

22 Ill. Reg.

3058

effective

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NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Camping on Department of Natural Resources Properties
- 2) Code Citation: 17 Ill. Adm. Code 130
- 3) Section Numbers: Adopted Action:
130.50 Amendments
130.70 Amendments
- 4) Statutory Authority: Implementing and authorized by Sections 1 and 4(1) and (5) of the State Parks Act [20 ILCS 835/1 and 4(1) and (5)], and by Sections 63a23 and 63a28 of the Civil Administrative Code of Illinois [20 ILCS 805/63a23 and 63a28].
- 5) Effective Date of Rulemaking: January 23, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) Date filed in Agency's Principal Office: January 23, 1998
- 9) Notice of Proposal Published in Illinois Register: October 31, 1997, 21 Ill. Reg. 14144
- 10) Has JCAR issued a Statement of Objections to these rules? No
- 11) Difference(s) between proposal and final version: In Section 130.50(h), added "in addition to the \$5.00 per campsite non-refundable fee" following "utility fee".
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rulemaking: This Part is being amended to change language regarding the campground reservation program at Starved Rock State Park to require that in addition to applicable first night's camping and utility fee, the \$5 non-refundable reservation fee shall be submitted. The first night's camping and utility fee will be refundable if request is made 3 days prior to date of reservation. This is a clarification of a pilot project to test the acceptability of this program change.
- 16) Information and questions regarding these adopted amendments shall be directed to:

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Jack Price

Department of Natural Resources
524 S. Second Street, Room 430
Springfield, IL 62701-1787
217/782-1809

The full text of the Adopted Amendments begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 17: CONSERVATION
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER a: LANDS

PART 130

CAMPING ON DEPARTMENT OF NATURAL RESOURCES PROPERTIES

Section

130.10 Location

130.20 Purpose of Campground

130.30 Classification of Camps by Equipment Used - Definitions

130.40 Definition of a Camp

130.50 Registrations

130.60 Permits, Extensions and Time Limits

130.70 Fees and Charges

130.80 Refunds

130.90 Check-in and Check-out Times

130.100 Unoccupied Camps

130.110 Vehicles per Camp (Refer to 17 Ill. Adm. Code Section 130.30)

130.120 Youth Group (Boy Scouts, Girl Scouts, Explorers, church groups, or others)

130.130 Organization Group Camps (charter organizations, ROTC, private clubs or others)

130.135 Campground Host Program

130.140 Use of Campground

130.150 Eviction

AUTHORITY: Implementing and authorized by Sections 1 and 4(1) and (5) of the State Parks Act [20 ILCS 835/1 and 4(1) and (5)], and by Sections 63a23 and 63a28 of the Civil Administrative Code of Illinois [20 ILCS 805/63a23 and 63a28].

SOURCE: Adopted at 4 Ill. Reg. 7, p. 110, effective February 4, 1980; emergency amendment at 5 Ill. Reg. 5707, effective June 1, 1981 for a maximum of 150 days; codified at 5 Ill. Reg. 10623; amended at 5 Ill. Reg. 14568, effective December 9, 1981; amended at 6 Ill. Reg. 3840, effective March 31, 1982; amended at 6 Ill. Reg. 9626, effective July 21, 1982; amended at 6 Ill. Reg. 14835, effective November 24, 1982; amended at 7 Ill. Reg. 5870, effective April 22, 1983; amended at 8 Ill. Reg. 5647, effective April 16, 1984; amended at 9 Ill. Reg. 6173, effective April 23, 1985; amended at 9 Ill. Reg. 11594, effective July 16, 1985; amended at 10 Ill. Reg. 9777, effective May 21, 1986; amended at 10 Ill. Reg. 13244, effective July 28, 1986; amended at 11 Ill. Reg. 9506, effective May 15, 1987; amended at 14 Ill. Reg. 12402, effective July 20, 1990; emergency amendment at 16 Ill. Reg. 7925, effective May 11, 1992, for a maximum of 150 days; emergency expired October 8, 1992; amended at 16 Ill. Reg. 15982, effective October 2, 1992; amended at 18 Ill. Reg. 1126, effective January 18, 1994; amended at 19 Ill. Reg. 6462, effective April 28, 1995; amended at 20 Ill. Reg. 6683, effective May 6, 1996; amended at 21 Ill. Reg.

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9034, effective June 26, 1997; amended at 22 Ill. Reg. 9034, effective JAN 23 1998.

Section 130.50 Registrations

- a) A permit will be issued and fees collected at the time the camp is established or as soon as possible thereafter (see Sections 130.70 and 130.80).
- b) The camping attendant has the authority to assign sites.
- c) A responsible adult (18 years of age or older) from the camping party must register for the party and thereby acknowledge compliance to the rules and regulations of the park for the party.
- d) Curfew: the provisions of Section 1 of the Child Curfew Act [720 ICS 555/1] with reference to curfew for persons under the age of 17 years are in effect on Department of Natural Resources' properties.
- e) The camp shelter or any other camping equipment shall not be brought into the park prior to the arrival of the camping party.
- f) No camping equipment shall be placed on any campground site while that site is occupied by another camping party. A person acquiring a permit must have camp shelter at the time of registration and must occupy the site at that time.
- g) In "emergency situations", the camping attendant may designate an area and charge a fee commensurate with facilities provided (see Section 130.70).
- h) Reservations will be accepted at selected sites offering this service. An additional \$5.00 non-refundable fee must be submitted for each site reserved. At Starved Rock State Park, the reservation fee shall be the applicable first night's camping and utility fee in addition to the \$5.00 per campsite non-refundable fee and is required at the time reservation is made for individual campsite reservations. At Starved Rock State Park, the reservation fee insures that a reserved campsite will be held until 3:00 p.m. of the next day assuring reservation holders of a campsite in the event of late arrival.

(Source: Amended at 22 Ill. Reg. 9034, effective JAN 23 1998)

Section 130.70 Fees and Charges

- a) The full amount of the camping fee and, if applicable, the utility fee shall be collected at the time the permit is issued. If checks are taken, they shall be made payable to the Illinois Department of Natural Resources and the site identified. Camping fees vary in accordance with the degree of campground development and type of facilities available effective May 11, 1992 as follows:

- 1) Spring - Summer Camping (May 1 through September 30)
 - A) Class A Sites: Camping fee of \$8.00 per night per site, \$3.00 utility fee. Sites having availability to showers,

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- B) electricity and vehicular access.
Class B-E Sites: Camping fee of \$7.00 per night per site, \$3.00 utility fee. Sites having availability to electricity and vehicular access.
- C) Class B-S Sites: Camping fee of \$8.00 per night per site. Sites having availability to showers and vehicular access.
- D) Class C Sites: Camping fee of \$7.00 per night per site. Sites having vehicular access or tent camp/primitive sites (walk-in or backpack) having availability to showers.
- E) Class D Sites: Camping fee of \$6.00 per night per site. Tent camping or primitive sites (walk-in or backpack) with no vehicular access.
- F) Youth Group Camping: \$1.00 per person, minimum daily camping fee of \$10.00.
- G) Adult Group Camping: \$3.00 per person, minimum daily camping fee of \$30.00.
- H) Each member of an organized group utilizing facilities furnished at Dixon Springs State Park and Pere Marquette State Park shall pay a fee of \$4.00 per night. At Dixon Springs, a deposit of \$40.00 will be required before confirmation of a reservation. At Pere Marquette, a deposit of \$100 will be required before confirmation of a reservation. The deposits will be credited to the total camping fee. Fees for day use of the group camps at Dixon Springs and Pere Marquette shall be \$45.00 per day.
- I) Rent-A-Camp Sites will be made available at designated state parks and recreational areas throughout the department's statewide system. These designated areas will provide, at additional fees of \$8.00 and \$12.00 per night, one large tent (approximately 10' x 13') or one extra large tent (approximately 14' x 14'), respectively (erected), with wood floor, one charcoal grill, one picnic table, one trash barrel, and either 4 sleeping cots per large tent or 8 sleeping cots per extra large tent. The total overnight fee for a rent-a-camp will be based on the basic fees given of \$8.00 or \$12.00 per night in addition to the fee for the class of the camping site A through D on which the rent-a-camps are located, as follows:
 - i) Rent-A-Camp at Class A Sites:
\$16.00 or \$20.00 plus \$3.00 utility fee per night per site at all sites having availability to showers, electricity and vehicular access.
 - ii) Rent-A-Camp at Class B-E Sites:
\$15.00 or \$19.00 plus \$3.00 utility fee per night per site at all sites having availability to electricity and vehicular access.
 - iii) Rent-A-Camp at Class B-S Sites: \$16.00 or \$20.00 per night per site at all sites having availability to

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- showers and vehicular access.
- iv) Rent-A-Camp at Class C Sites:
\$15.00 or \$19.00 per night per site at all sites having vehicular access.
 - v) Rent-A-Camp at Class D Sites:
\$14.00 or \$18.00 per night per site at all sites having tent camping or primitive sites (walk-in or backpack) with no vehicular access.
 - J) A \$5.00 per campsite non-refundable fee must be remitted at those facilities offering reservation services. This fee applies to reservations for group camp sites as well as individual site reservations. At Starved Rock State Park, the reservation fee shall be the applicable first night's camping and utility fee in addition to the \$5.00 per campsite non-refundable fee and is required at the time reservations are made for individual campsite reservations.
 - 2) Fall - Winter Camping (October 1 through April 30)
 - A) As long as buildings, water and electrical service are available, regardless of the date, the regular camping fee will apply.
 - B) When cold weather requires closing down buildings and shutting off water in Class A campgrounds, the fee shall be reduced commensurate with the services and facilities available for use.
 - C) The fee for primitive campsites shall be \$6.00 per site. When a change in facilities is made and a campsite is reclassified, the fee for a site will change automatically.
- b) **Exceptions:** Employees, Concessionaires, and Special Legislation
- 1) Except for temporary employees of the Department of Natural Resources who qualify and are placed in the campground host program at approved camping sites, employees of the Department of Natural Resources or any other State agency, regardless of their official status, will be required to pay the established camping fee.
 - 2) The concessionaire, manager, or a responsible employee designated by the concessionaire will not be charged the regular camping fee. Rent will be paid at the rate established by the Department or pursuant to the concession lease.
 - 3) An Illinois resident age 62 or older, or a person who has a Class 2 disability as defined in Section 4A of the Illinois Identification Card Act [15 ILCS 335/4A] or a disabled veteran, or a former prisoner of war as defined in Section 5 of the Department of Veterans Affairs Act [20 ILCS 2805/5], is entitled to the following camping fee provisions, upon qualifying, which will allow the spouse or minor (under 18) children, or minor grandchildren to be included in the camping party. All other members must be registered and pay the regular camping fee for the facilities provided.

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- A) Illinois residents age 62 or older will be charged one-half the established camping fee on any Monday, Tuesday, Wednesday or Thursday, at Class A and B sites but must pay the entire established camping fee on all sites on any Friday, Saturday or Sunday, and, if at a site with utilities, must pay the entire utility fee for each day of camping. Verification of age may be made by any document required by law to establish proof of age and date of birth and issued by a federal or state governmental agency. No fee on Class C and D sites Monday through Thursday.
- B) Illinois residents who have a Class 2 disability and present a current Illinois Disabled Person Identification Card issued by the Secretary of State will be charged one-half the established camping fee for Class A and B sites on any Monday, Tuesday, Wednesday, or Thursday, but must pay the entire established camping fee for any Friday, Saturday or Sunday, and, if at a site with utilities, must pay the entire utility fee for each day of camping. No fee on Class C and D sites.
- C) An Illinois resident who is a disabled veteran, or former prisoner of war may camp without being charged a camping fee, but if at a site with utilities, must pay the entire utility fee for each day of camping. An individual wishing to qualify for free camping under the provisions stated above must be able to submit the appropriate document issued by the Illinois Department of Veterans' Affairs (see 20 ILCS 2805/5).

(Source: Amended at 22 Ill. Reg. _____, effective
JAN 23 1998)

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- 1) Heading of the Part: Hospital Services
- 2) Code Citation: 89 Ill. Adm. Code 148
- 3) Section Numbers: Adopted Action:
148.140 Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendments: January 26, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these Amendments contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: January 26, 1998
- 9) Notice of Proposal Published in Illinois Register: September 26, 1997 (21 Ill. Reg. 13032)
- 10) Has JCAR issued a Statement of Objections to these Adopted Amendments? No
- 11) Differences between proposal and final version:

Several changes have been made in the text of the proposed rulemaking during the public comment period.

Subsection (b)(4)(D) has been reformatted for clarity, as follows:

- D) With respect to the Group IV procedures described in subsection (b)(1)(D) of this Section, reimbursement shall be at the lesser of charges or one of six separate rate maximums depending upon:
 - i) Whether the hospital is classified as a hospital defined in Section 148.25(b)(2)(A) through (b)(2)(C) which is a major teaching hospital, as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or a hospital defined in Section 148.25(b); and
 - ii) Whether the service is provided in the outpatient, general clinic, psychiatric clinic, or physical rehabilitation clinic department.

In subsection (d)(1)(B)(iv), "above" has been returned (and stricken) as existing language to the text after the subsection citation.

New subsection (d)(2)(C) has been added as follows:

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- C) The final rate described in subsection (d)(1)(C) of this Section shall be no less than \$147.09 per encounter.

The first sentence in subsection (e)(1) has been revised as follows:

- 1) Effective for services provided on or after September 27, 1997, a clinic owned or operated by a county with a population of over three million, that is within or adjacent to a hospital, shall qualify as a Critical Clinic Provider if the facility meets the efficiency standards established by the Department

Subsection (e)(2) has been revised to read:

- 2) Reimbursement for all services provided by any Critical Clinic Provider shall be on an all-inclusive per-encounter rate which shall equal reported direct costs of Critical Clinic Providers for each facility's cost reporting period ending in 1995, and available to the Department as of September 1, 1997, divided by the number of Medicaid services provided during that cost reporting period as adjudicated by the Department through July 31, 1997.

No other changes have been made in the text of the proposed amendments.

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

- 13) Will these Amendments replace Emergency Amendments currently in effect? Yes

- 14) Are there any amendments pending on this Part? No

- 15) Summary and Purpose of Amendments: These amendments create a new category of hospital based clinic providers, Critical Clinic Providers, for county owned facilities. In doing so, the Department will be, in part, reforming outpatient reimbursement to cover the escalating costs incurred as care is increasingly provided in outpatient settings. These changes are expected to increase spending by about \$22 million. Qualifying clinics under these amendments will receive reimbursement through the County Provider Trust Fund.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Joanne Jones
Bureau of Rules and Regulations
Illinois Department of Public Aid
201 South Grand Avenue East, Third Floor

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Springfield, IL 62763
(217) 524-0081

The full text of the Adopted Amendments begins on the next page:

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TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER d: MEDICAL PROGRAMS

PART 148

HOSPITAL SERVICES

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service codes. However, all specific client coverage policies (relating to client eligibility and scope of services available to those clients) which pertain to the service billed are applicable to hospitals in the same manner as to non-hospital providers who bill fee for service.

3) With respect to those hospitals described in Section 148.25(b)(2)(A), the reimbursement rate described in subsection (a)(2) of this Section above shall be adjusted on a retrospective basis. The retrospective adjustment shall be calculated as follows:

A) The reimbursement rates described in subsection (a)(2) of this Section above shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports.

B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

4) Maternal and Child Health Program rates, as described in 89 Ill. Adm. Code 140 Table M, shall be paid to Certified Hospital Ambulatory Primary Care Centers (CHAPCC), as described in 89 Ill. Adm. Code 140.461(f)(1)(A) and Section 148.25(b)(5)(A), Certified Hospital Organized Satellite Clinics (CHOSC), as described in 89 Ill. Adm. Code 140.461(f)(1)(B) and Section 148.25(b)(5)(B), and Certified Obstetrical Ambulatory Care Centers (COBACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(C) and Section 148.25(b)(5)(C). Maternal and Child Health Program rates shall also be paid to Certified Pediatric Ambulatory Care Centers (CPACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(D) and Section 148.25(b)(5)(D), for covered services as described in 89 Ill. Adm. Code 140.462(e)(3), that are provided to non-assigned Maternal and Child Health Program clients, as described in 89 Ill. Adm. Code 140.464(b)(1).

5) Certified Pediatric Ambulatory Care Centers (CPACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(D) and Section 148.25(b)(5)(D), shall be reimbursed in accordance with 89 Ill. Adm. Code 140.464(b)(2) for assigned clients.

6) Hospitals described in Sections 148.25(b)(2)(A) and 148.25(b)(2)(B) shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year.

7) With the exception of the retrospective adjustment described in subsection (a)(3) of this Section above, no year-end reconciliation is made to the reimbursement rates calculated under this Section.

b) Hospital Ambulatory Care Program

Effective April 1, 1986, the Department liberalized the list of allowable ambulatory procedures to add many surgical, diagnostic and highly technical treatment procedures that can be performed and reimbursed on an ambulatory basis.

1) Hospital Ambulatory Care Groupings

Under the Hospital Ambulatory Care Program, a Hospital Ambulatory Care List was developed that defines those technical procedures that require the use of the hospital outpatient or hospital-based clinic setting, its technical staff and/or equipment. These procedures were separated into four separate groupings based upon the complexity and historical costs of the procedures. The four separate groupings are as follows:

A) Group I procedures are high level technology surgeries that consume many hospital resources and are costly to deliver.

B) Group II procedures are certain nonsurgical, very high level technology services recognized and approved by the Department as safe outpatient procedures.

C) Group III procedures are other surgical, specialized cardiac and diagnostic procedures.

D) Group IV procedures are specialized treatment procedures, observation services, high risk, and emergency room services.

2) Hospital Ambulatory Care List Updating

The Hospital Ambulatory Care List is updated periodically. As technology changes, so do the procedures that fall into the four categories. In addition, annual changes in the ICD-9-CM procedure codes and their meanings necessitate annual changes to the Hospital Ambulatory Care List.

3) Hospital Ambulatory Care Reimbursement Prior to July 1, 1995
Reimbursement for Hospital Ambulatory Care procedures was initially developed in 1986. For each of the four separate groupings identified in subsection (b)(1) of this Section above, a set rate maximum has been developed based upon the complexity of the procedures, historical costs, and teaching status of the hospital, the type of hospital, and the setting in which the procedure would most likely be performed (i.e., outpatient department, general clinic department, psychiatric clinic department, or physical rehabilitation clinic department). These set rate maximums have been periodically adjusted since 1986 based upon the above factors. Reimbursement for Hospital Ambulatory Care procedures performed prior to July 1, 1995, shall be reimbursed in accordance with the statutes and administrative rules governing the time period when the services were rendered.

4) Hospital Ambulatory Care Reimbursement Effective July 1, 1995

Care procedures shall be as follows:

A) With respect to Group I procedures described in subsection (b)(1)(A) of this Section above, reimbursement shall be at

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the lesser of charges or the hospital's alternate reimbursement rate, as defined in Section 148.270(a), equivalent to the rate of a one-day inpatient stay.

- B) With respect to Group II procedures described in subsection (b)(1)(B) of this Section above, reimbursement shall be at the lesser of charges or one of two separate rate maximums depending upon whether the hospital is classified as:

- i) A hospital defined in Section 148.25(b)(2)(A) through (b)(2)(C) which is a major teaching hospital as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or
- ii) A hospital defined in Section 148.25(b).

- C) With respect to the Group III procedures described in subsection (b)(1)(C) of this Section above, reimbursement shall be at the lesser of charges or one of two separate rate maximums depending upon whether the hospital is classified as:

- i) A hospital defined in Section 148.25(b)(2)(A) through (b)(2)(C) which is a major teaching hospital, as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or
- ii) A hospital defined in Section 148.25(b).

- D) With respect to the Group IV procedures described in subsection (b)(1)(D) of this Section above, reimbursement shall be at the lesser of charges or one of six separate rate maximums depending upon:

- i) Whether whether the hospital is classified as at ~~it~~ A hospital defined in Section 148.25(b)(2)(A) through (b)(2)(C) which is a major teaching hospital, as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or ~~it~~ A hospital defined in Section 148.25(b); and

- ii) ~~it~~ Whether the service is provided in the outpatient, general clinic, psychiatric clinic, or rehabilitation clinic department.

- 5) County Facility Outpatient Adjustment

- A) Effective for services provided on or after July 1, 1995, county owned hospitals in an Illinois county with a population of over three million shall be eligible for a county facility outpatient adjustment payment. This adjustment payment shall be in addition to the amounts calculated under this Section and are calculated as follows:
- i) Beginning with July 1, 1995, hospitals under this subsection shall receive an annual adjustment payment equal to total base year hospital outpatient costs

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trended forward to the rate year minus total estimated rate year hospital outpatient payments, multiplied by the resulting ratio derived when the value 200 is divided by the quotient of the difference between total base year hospital outpatient costs trended forward to the rate year and total estimated rate year hospital outpatient payments divided by one million.

- ii) The county facility outpatient adjustment under this subsection shall be made on a quarterly basis.

- B) County Facility Outpatient Adjustment Definition. The definitions of terms used with reference to calculation of the county facility outpatient adjustment are as follows:

- i) "Base Year" means the most recently completed State fiscal year.
- ii) "Rate Year" means the State fiscal year during which the county facility adjustment payments are made.
- iii) "Total Estimated Rate Year Hospital Outpatient Payments" means the Department's total estimated outpatient date of service liability, projected for the upcoming rate year.
- iv) "Total Hospital Outpatient Costs" means the statewide sum of all hospital outpatient costs derived by summing each hospital's outpatient charges derived from actual paid claims data multiplied by the hospital's cost-to-charge ratio.

- 6) No Year-End Reconciliation
With the exception of the retrospective rate adjustment described in subsection (b)(7) of this Section, no year-end reconciliation is made to the reimbursement rates calculated under this subsection (b).

- 7) Rate Adjustments

With respect to those hospitals described in Sections 148.25(b)(2)(A), the reimbursement rates described in subsection (b)(4) of this Section above shall be adjusted on a retrospective basis. The retrospective adjustment shall be calculated as follows:

- A) The reimbursement rates described in subsection (b)(4) of this Section above shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports.
- B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.
- 8) Services are available to all clients in geographic areas in which an encounter rate hospital or a county-operated outpatient

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facility is located. All specific client coverage policies (relating to client eligibility and scope of services available to those clients) which pertain to the service billed are applicable to hospitals reimbursed under the Ambulatory Care Program in the same manner as to encounter rate hospitals and to non-hospital and hospital providers who bill and receive reimbursement on a fee-for-service basis.

- 9) Hospitals described in Sections 148.25(b)(2)(A) and (b)(2)(B) shall be required to submit outpatient cost reports to the Department within 90 days after the close after the facility's fiscal year.

- c) Payment for outpatient end-stage renal disease treatment (ESRDT) services provided pursuant to Section 148.40(c) shall be made at the Department's payment rates, as follows:

- 1) For inpatient hospital services provided pursuant to Section 148.40(c)(1), the Department shall reimburse hospitals pursuant to Sections 148.240 through 148.300 and 89 Ill. Adm. Code 149.

- 2) For outpatient services or home dialysis treatments provided pursuant to Sections 148.40(c)(2) or 148.40(c)(3), the Department will reimburse hospitals and clinics for ESRDT services at a rate which will reimburse the provider for the dialysis treatment and all related supplies and equipment, as defined in 42 CFR 405.2163 (1994). This rate will be that rate established by Medicare pursuant to 42 CFR 405.2124 and 413.170 (1994).

- 3) Payment for non-routine services. For services which are provided during outpatient or home dialysis treatment pursuant to Sections 148.40(c)(2) or 148.40(c)(3) but are not defined as a routine service under 42 CFR 405.2163 (1994), separate payment will be made to independent laboratories, pharmacies, and medical supply providers pursuant to 89 Ill. Adm. Code 140.430 through 140.434, 140.440 through 140.450, and 140.475 through 140.481, respectively.

- 4) Payment for physician services relating to ESRDT will be made separately to physicians, pursuant to 89 Ill. Adm. Code 140.400.

- 5) With respect to those hospitals described in Section 148.25(b)(2)(A), the reimbursement rates described in this subsection (c) shall be adjusted on a retrospective basis. The retrospective adjustment shall be calculated as follows:

- A) The reimbursement rates described in this subsection (c) shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports.

- B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

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- 6) With the exception of the retrospective rate adjustment described in subsection (c)(5) of this Section above, no year-end reconciliation is made to the reimbursement rates calculated under this subsection (c).

- 7) Hospitals described in Sections 148.25(b)(2)(A) and 148.25(b)(2)(B) shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year.

- d) Non Hospital Based Clinic Reimbursement

- 1) County-Operated Outpatient Facility Reimbursement
Reimbursement for all services provided by county-operated outpatient facilities, as described in Section 148.25(b)(2)(C), that do not qualify as either a Maternal and Child Health Program Managed Care clinics, as described in 89 Ill. Adm. Code 140.461(f), or as a Critical Clinic Provider, as described in subsection (e) of this Section, shall be on an all-inclusive per encounter rate basis as follows:

- A) Base Rate. The per encounter base rate shall be calculated as follows:

- i) Allowable direct costs shall be divided by the number of direct encounters to determine an allowable cost per encounter delivered by direct staff.

- ii) The resulting quotient, as calculated in subsection (d)(1)(A)(i) of this Section above, shall be multiplied by the Medicare allowable overhead rate factor to calculate the overhead cost per encounter.

- iii) The resulting product, as calculated in subsection (d)(1)(A)(ii) of this Section above, shall be added to the resulting quotient, as calculated in subsection (d)(1)(A)(i) of this Section above to determine the per encounter base rate.

- iv) The resulting sum, as calculated in subsection (d)(1)(A)(iii) of this Section above, shall be the per encounter base rate.

- B) Supplemental Rate

- i) The supplemental service cost shall be divided by the total number of direct staff encounters to determine the direct supplemental service cost per encounter.

- ii) The supplemental service cost shall be multiplied by the allowable overhead rate factor to calculate the supplemental overhead cost per encounter.

- iii) The quotient derived in subsection (d)(1)(B)(i) of this Section above, shall be added to the product derived in subsection (d)(1)(B)(ii) of this Section above, to determine the per encounter supplemental rate.

- iv) The resulting sum, as described in subsection (d)(1)(B)(iii) of this Section above, shall be the per

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encounter supplemental rate.

C) Final Rate

i) The per encounter base rate, as described in subsection (d)(1)(A)(iv) of this Section, shall be added to the per encounter supplemental rate, as described in subsection (d)(1)(B)(iv) of this Section, to determine the per encounter final rate.

ii) The resulting sum, as determined in subsection (d)(1)(C)(i) of this Section above, shall be the per encounter final rate.

iii) The per encounter final rate, as described in subsection (d)(1)(C)(ii) of this Section above, shall be adjusted in accordance with subsection (d)(2) of this Section below.

2) Rate Adjustments

Rate adjustments to the per encounter final rate, as described in subsection (d)(1)(C)(iii) of this Section above, shall be calculated as follows:

A) The reimbursement rates described in subsections (d)(1)(A) through (d)(1)(C) and (e)(2) of this Section shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

C) The final rate described in subsection (d)(1)(C) of this Section shall be no less than \$147.09 per encounter.

3) County-operated outpatient facilities, as described in Section 148.25(b)(2)(C), shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year. No year-end reconciliation is made to the reimbursement calculated under this subsection (d).

4) Services are available to all clients in geographic areas in which an encounter rate hospital or a county-operated outpatient facility is located. All specific client coverage policies (relating to client eligibility and scope of services available to those clients) which pertain to the service billed are applicable to encounter rate hospitals in the same manner as to hospitals reimbursed under the Ambulatory Care Program and to non-hospital and hospital providers who bill and receive reimbursement on a fee-for-service basis.

e) Critical Clinic Providers

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1) Effective for services provided on or after September 27, 1997, a clinic owned or operated by a county with a population of over three million, that is within or adjacent to a hospital, shall qualify as a Critical Clinic Provider if the facility meets the efficiency standards established by the Department. The Department's efficiency standards under this subsection (e) require that the quotient of total encounters per facility fiscal year for the Critical Clinic Provider divided by total full time equivalent physicians providing services at the Critical Clinic Provider shall be greater than:

- A) 2700 for reimbursement provided during the facility's cost reporting year ending during 1998,
- B) 2900 for reimbursement provided during the facility's cost reporting year ending during 1999,
- C) 3100 for reimbursement provided during the facility's cost reporting year ending during 2000,
- D) 3600 for reimbursement provided during the facility's cost reporting year ending during 2001, and
- E) 4200 for reimbursement provided during the facility's cost reporting year ending during 2002.

2) Reimbursement for all services provided by any Critical Clinic Provider shall be on an all-inclusive per-encounter rate which shall equal reported direct costs of Critical Clinic Providers for each facility's cost reporting period ending in 1995, and available to the Department as of September 1, 1997, divided by the number of Medicaid services provided during that cost reporting period as adjudicated by the Department through July 31, 1997.

3) Critical Clinic Providers, as described in this subsection (e), shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year. No year-end reconciliation is made to the reimbursement calculated under this subsection (e).

4) The reimbursement rates described in this subsection (e) shall be no less than the reimbursement rates in effect on July 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

(Source: Amended at
JAN 26 1998)

Ill. Reg.

6.5.03

effective

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Retailers' Occupation Tax
- 2) Code Citation: 86 Ill. Adm. Code 130
- 3) Section Numbers: Adopted Action:
130.330 Amendment
130.1951 Amendment
- 4) Statutory Authority: 35 ILCS 120
- 5) Effective Date of Amendment(s): January 27, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: January 27, 1998
- 9) Notice of Proposal Published in Illinois Register:
September 26, 1997, 21 Ill. Reg. 13085
October 17, 1997, 21 Ill. Reg. 13788
- 10) Has JCAR issued a Statement of Objections to these Amendments? No
- 11) Differences between proposal and final version: The only changes, made were the ones agreed upon with JCAR. The changes made were grammar and punctuation or technical. No substantive changes were made.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency amendment currently in effect?
No
- 14) Are there any amendments pending on this Part? Yes

Section Numbers	Proposed Action	IL Register Citation
130.1945	Amendment	1/23/98, 22 Ill. Reg. 2070

- 15) Summary and Purpose of Amendment(s): The amendment to Section 130.330 clarifies when the use of machinery or equipment to place the tangible personal property to be sold into the container, package, or wrapping in which such property is normally sold is exempt from taxation under the Manufacturing Machinery and Equipment Exemption. The proposal specifies that such machinery or equipment is exempt when used as a part of an integrated manufacturing process. This proposal incorporates the holding of the Cook County Circuit Court in *U. S. Can v. Illinois Department of*

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Revenue.

The amendment to Section 130.1951 sets forth how retailers can establish that they are located in the municipality or the unincorporated area of the county that has established the enterprise zone. It also describes how retailers can establish that purchasers purchased qualifying building materials from a qualified retailer.

- 16) Information and questions regarding this adopted amendment shall be directed to:

Martha Mote
Melanie Jarvis
Associate Counsels
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794
217/782-6996

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF REVENUE

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TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 130

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130.105	Responsibility of Trustees, Receivers, Executors or Administrators
130.110	Occasional Sales
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130.115	Habitual Sales
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SUBPART C: CERTAIN STATUTORY EXEMPTIONS

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130.325	Graphic Arts Machinery and Equipment Exemption
130.330	Manufacturing Machinery and Equipment
130.331	Manufacturer's Purchase Credit
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SUBPART D: GROSS RECEIPTS

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130.425	Traded-In Property
130.430	Deposit or Prepayment on Purchase Price
130.435	State and Local Taxes Other Than Retailers' Occupation Tax
130.440	Penalties
130.445	Federal Taxes
130.450	Installation, Alteration and Special Service Charges
130.455	Motor Vehicle Leasing and Trade-In Allowances

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130.502	Quarterly Tax Returns
130.505	Returns and How to Prepare
130.510	Annual Tax Returns
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130.525	Who May Sign Returns
130.530	Returns Covering More Than One Location Under Same Registration--Separate Returns for Separately Registered Locations
130.535	Payment of the Tax, Including Quarter Monthly Payments in Certain Instances
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130.545	Registrants Must File a Return for Every Return Period
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130.2007 Exemption Identification Numbers
130.2008 Sales by Nonprofit Service Enterprises
130.2010 Persons Who Rent or Lease the Use of Tangible Personal Property to
Others
130.2011 Sales to Persons Who Lease Tangible Personal Property to Exempt
Hospitals
130.2012 Sales to Persons Who Lease Tangible Personal Property to
Governmental Bodies
130.2015 Persons Who Repair or Otherwise Service Tangible Personal Property
130.2020 Physicians and Surgeons
130.2025 Picture-Framers
130.2030 Public Amusement places
130.2035 Registered Pharmacists and Druggists
130.2040 Retailers of Clothing
130.2045 Retailers on Premises of the Illinois State Fair, County Fairs, Art
Shows, Flea Markets and the Like
130.2050 Sales and Gifts By Employers to Employees
130.2055 Sales by Governmental Bodies
130.2060 Sales of Alcoholic Beverages, Motor Fuel and Tobacco Products
130.2065 Sales of Automobiles for Use In Demonstration
130.2070 Sales of Containers, Wrapping and Packing Materials and Related

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130.2075 Products
Sales To Construction Contractors, Real Estate Developers and
Speculative Builders
130.2080 Sales to Governmental Bodies, Foreign Diplomats and Consular
Personnel
130.2085 Sales to or by Banks, Savings and Loan Associations and Credit
Unions
130.2090 Sales to Railroad Companies
130.2095 Sellers of Gasohol, Coal, Coke, Fuel Oil and Other Combustibles
130.2100 Sellers of Feeds and Breeding Livestock
130.2105 Sellers of Newspapers, Magazines, Books, Sheet Music and Phonograph
Records and Their Suppliers
130.2110 Sellers of Seeds and Fertilizer
130.2115 Sellers of Machinery, Tools and the Like
130.2120 Suppliers of Persons Engaged in Service Occupations and Professions
130.2125 Trading Stamps and Discount Coupons
130.2130 Undertakers and Funeral Directors
130.2135 Vending Machines
130.2140 Vendors of Curtains, Slip Covers, Floor Covering and Other Similar
Items Made to Order
130.2145 Vendors of Meals
130.2150 Vendors of Memorial Stones and Monuments
130.2155 Vendors of Signs
130.2156 Vendors of Steam
130.2160 Vendors of Tangible Personal Property Employed for Premiums,
Advertising, Prizes, Etc.
130.2165 Veterinarians
130.2170 Warehousemen
ILLUSTRATION A: Examples of Tax Exemption Cards
AUTHORITY: Implementing the Illinois Retailers' Occupation Tax Act [35 ILCS
120] and authorized by Section 39b3 of the Civil Administrative Code of
Illinois [20 ILCS 2505/39b3].

SOURCE: Adopted July 1, 1933; amended at 2 Ill. Reg. 50, p. 71, effective
December 10, 1978; amended at 3 Ill. Reg. 12, p. 4, effective March 19, 1979;
amended at 3 Ill. Reg. 13, pp. 93 and 95, effective March 25, 1979; amended at
3 Ill. Reg. 23, p. 164, effective June 3, 1979; amended at 3 Ill. Reg. 25, p.
229, effective June 17, 1979; amended at 3 Ill. Reg. 44, p. 193, effective
October 19, 1979; amended at 3 Ill. Reg. 46, p. 52, effective November 2, 1979;
amended at 4 Ill. Reg. 24, pp. 520, 539, 564 and 571, effective June 1, 1980;
amended at 5 Ill. Reg. 818, effective January 2, 1981; amended at 5 Ill. Reg.
3014, effective March 11, 1981; amended at 5 Ill. Reg. 12782, effective
November 2, 1981; amended at 6 Ill. Reg. 2860, effective March 3, 1982; amended
at 6 Ill. Reg. 6780, effective May 24, 1982; codified at 6 Ill. Reg. 8229;
recodified at 6 Ill. Reg. 8999; amended at 6 Ill. Reg. 15225, effective
December 3, 1982; amended at 7 Ill. Reg. 7990, effective June 15, 1983; amended
at 8 Ill. Reg. 5319, effective April 11, 1984; amended at 8 Ill. Reg. 19062,

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effective September 26, 1984; amended at 10 Ill. Reg. 1937, effective January 10, 1986; amended at 10 Ill. Reg. 12067, effective July 1, 1986; amended at 10 Ill. Reg. 19538, effective November 5, 1986; amended at 10 Ill. Reg. 19772, effective November 5, 1986; amended at 11 Ill. Reg. 4325, effective March 2, 1987; amended at 11 Ill. Reg. 6252, effective March 20, 1987; amended at 11 Ill. Reg. 18284, effective October 27, 1987; amended at 11 Ill. Reg. 18767, effective October 28, 1987; amended at 11 Ill. Reg. 19138, effective October 29, 1987; amended at 11 Ill. Reg. 19696, effective November 23, 1987; amended at 12 Ill. Reg. 5652, effective March 15, 1988; emergency amendment at 12 Ill. Reg. 14401, effective September 1, 1988, for a maximum of 150 days, modified in response to an objection of the Joint Committee on Administrative Rules at 12 Ill. Reg. 19531, effective November 4, 1988, not to exceed the 150 day time limit of the original rulemaking; emergency expired January 29, 1989; amended at 13 Ill. Reg. 11824, effective June 29, 1989; amended at 14 Ill. Reg. 241, effective December 21, 1989; amended at 14 Ill. Reg. 872, effective January 1, 1990; amended at 14 Ill. Reg. 15463, effective September 10, 1990; amended at 14 Ill. Reg. 16028, effective September 18, 1990; amended at 15 Ill. Reg. 6621, effective April 17, 1991; amended at 15 Ill. Reg. 13542, effective August 30, 1991; amended at 15 Ill. Reg. 15757, effective October 15, 1991; amended at 16 Ill. Reg. 1642, effective January 13, 1992; amended at 17 Ill. Reg. 860, effective January 11, 1993; amended at 17 Ill. Reg. 18142, effective October 4, 1993; amended at 17 Ill. Reg. 19651, effective November 2, 1993; amended at 18 Ill. Reg. 1537, effective January 13, 1994; amended at 18 Ill. Reg. 16866, effective November 7, 1994; amended at 19 Ill. Reg. 13446, effective September 12, 1995; amended at 19 Ill. Reg. 13568, effective September 11, 1995; amended at 19 Ill. Reg. 13968, effective September 18, 1995; amended at 20 Ill. Reg. 4428, effective March 4, 1996; amended at 20 Ill. Reg. 5366, effective March 26, 1996; amended at 20 Ill. Reg. 6991, effective May 7, 1996; amended at 20 Ill. Reg. 9116, effective July 2, 1996; amended at 20 Ill. Reg. 15753, effective December 2, 1996; amended at 20 Ill. Reg. 16200, effective December 16, 1996; expedited correction at 21 Ill. Reg. 4052, effective December 2, 1996; amended at 21 Ill. Reg. 12211, effective August 26, 1997; amended at 22 Ill. Reg. 6077, effective **JAN 27 1998**.

SUBPART C: CERTAIN STATUTORY EXEMPTIONS

Section 130.330 Manufacturing Machinery and Equipment

- a) General. Notwithstanding the fact that the sales may be at retail, the Retailers' Occupation Tax does not apply to sales of machinery and equipment used primarily in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease. The exemption applies whether the sale or lease is made directly by the manufacturer or some other person. In certain cases purchases of machinery and equipment by a lessor will be exempt even though that lessor does not himself employ the machinery and equipment in an exempt manner.
- b) Manufacturing and Assembling.

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- 1) This exemption exempts from tax only machinery and equipment used in manufacturing or assembling tangible personal property for sale or lease. Thus, the use of machinery and equipment in any industrial, commercial or business activity which may be distinguished from manufacturing or assembling will not be an exempt use and such machinery and equipment will be subject to tax.
- 2) The manufacturing process is the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating or refining which changes some existing material or materials into a material with a different form, use or name. These changes must result from the process in question and be substantial and significant.
- 3) The process or activity must be commonly regarded as manufacturing. To be so regarded, it must be thought of as manufacturing by the general public. Generally, the scale, scope and character of a process or operation will be considered to determine if such process or operation is commonly regarded as manufacturing. Manufacturing includes such activities as processing, fabricating and refining.
- 4) Manufacturing does not include extractive industrial activities. Mining, logging, and drilling for oil, gas, and water neither produce articles of tangible personal property nor effect any significant or substantial change in the form, use or name of the materials or resources upon which they operate. The extractive process of quarrying does not constitute manufacturing. However, the activities subsequent to quarrying such as crushing, washing, sizing and blending will constitute manufacturing, and machinery and equipment used primarily therefor will qualify for the exemption, if the process results in the assembling of an article of tangible personal property with a different form, use or name than the material extracted.
- 5) The printing process is not commonly regarded as manufacturing and court decisions have found that printing is not manufacturing. Therefore, machinery and equipment used in any printing application will not qualify for exemption. This includes graphic arts, newspapers, books, etc. as well as other industrial or commercial applications. (However, see Section 130.325 for the Graphic Arts Machinery and Equipment Exemption.)
- 6) Agricultural, horticultural and related, similar or comparable activities, including commercial fishing, beekeeping, production of seedlings or seed corn, and the development of hybrid seeds, plants, or shoots, are not manufacturing or assembling and, accordingly, machinery and equipment used in such activities is subject to tax. (However, see Section 130.305 for the Farm

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Machinery and Equipment Exemption.)

- 7) The preparation of food and beverages by restaurants, food service establishments, and other retailers is not manufacturing.
- 8) Assembling means the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name.
- 9) Effective September 1, 1988 manufacturing includes photoprocessing if the products of photoprocessing are sold. Machinery and equipment which would qualify for exemption includes, but are not limited to, developers, dryers, enlargers, mounting machines, roll film splicers, film developing image makers, disc film opening and spindling devices, film indexers, photographic paper exposure equipment, photographic paper developing machines, densitometers, print inspection devices, photo print/negative out assembly stations, film sleeve insertion machines, negative image producers, film coating equipment, photo transparency mounters, processor rack sanitizers, photo print embossers, photo print mounting presses, graphic slide generators, chemical mixing equipment and paper exposure positioning and holding devices, etc. Cameras and equipment used to take pictures or expose film are not eligible as the photoprocessing begins after the film is exposed. Retail/net price calculation equipment and chemical reclamation equipment are not considered to be manufacturing machinery and equipment.

c) Machinery and Equipment

- 1) The law exempts only the purchase and use of "machinery" and "equipment" used in manufacturing or assembling. Accordingly, no other type or kind of tangible personal property will qualify for the exemption, even though it may be used primarily in the manufacturing or assembling of tangible personal property for sale or lease.
- 2) Machinery means major mechanical machines or major components of such machines contributing to a manufacturing or assembling process: including, machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment.
- 3) Equipment includes any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembling process: including computers used primarily in operating exempt machinery and equipment in a computer-assisted design, computer-assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment, parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds, and any parts

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which require periodic replacement in the course of normal operation. The exemption does not include hand tools, supplies (such as rags, sweeping or cleaning compounds), coolants, lubricants, adhesives, or solvents, items of personal apparel (such as gloves, shoes, glasses, goggles, coveralls, aprons, masks, mask air filters, belts, harnesses, or holsters), coal, fuel oil, electricity, natural gas, artificial gas, steam, refrigerants or water. (Section 2-45 of the Act)

- 4) The exemption includes the sale of materials to a purchaser who manufactures such materials into an exempted type of machinery or equipment or tools which such purchaser uses himself in the manufacturing of tangible personal property or leases to a manufacturer of tangible personal property. However, such purchaser must maintain adequate records clearly demonstrating the incorporation of such materials into exempt machinery and equipment.

- 5) Machinery and equipment does not include foundations for, or special purpose buildings to house or support, machinery and equipment.

d) Primary Use

- 1) The law requires that machinery and equipment be used primarily in manufacturing or assembling. Therefore, machinery which is used primarily in an exempt process and partially in a nonexempt manner would qualify for exemption. However, the purchaser must be able to establish through adequate records that the machinery or equipment is used over 50 percent in an exempt manner in order to claim the deduction.
- 2) The fact that particular machinery or equipment may be considered essential to the conduct of the business of manufacturing or assembling because its use is required by law or practical necessity does not, of itself, mean that machinery or equipment is used primarily in manufacturing or assembling.
- 3) By way of illustration and not limitation, the following activities will generally be considered to constitute an exempt use:
 - A) The use of machinery or equipment to effect a direct and immediate physical change upon the tangible personal property to be sold;
 - B) The use of machinery or equipment to guide or measure a direct and immediate physical change upon the tangible personal property to be sold, provided such function is an integral and essential part of tuning, verifying, or aligning the component parts of such property;
 - C) The use of machinery or equipment to inspect, test or measure the tangible personal property to be sold where such function is an integral part of the production flow;
 - D) The use of machinery and equipment to convey, handle, or transport the tangible personal property to be sold within

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production stations on the production line or directly between such production stations or buildings within the same plant;

- E) The use of machinery or equipment to place the tangible personal property to be sold into the container, package, or wrapping in which such property is normally sold where such machinery or equipment is used as a part of an integrated manufacturing process ~~to the ultimate consumer thereof~~.

- 4) By way of illustration and not limitation, the following activities will generally not be considered to be manufacturing:

- A) The use of machinery or equipment in the construction, reconstruction, alteration, remodeling, servicing, repairing, maintenance, or improvement of real estate;
- B) The use of machinery or equipment in research and development of new products or production techniques, machinery, or equipment;

- C) The use of machinery or equipment to store, convey, handle or transport materials or parts or sub-assemblies prior to their entrance into the production cycle;

- D) The use of machinery or equipment to store, convey, handle or transport finished articles of tangible personal property to be sold or leased after completion of the production cycle;

- E) The use of machinery or equipment to transport work in process, or semifinished goods, between plants;

- F) The use of machinery or equipment in managerial, sales, or other nonproduction, nonoperational activities including disposal of waste, scrap or residue, inventory control, production scheduling, work routing, purchasing, receiving, accounting, fiscal management, general communications, plant security, sales, marketing, product exhibition and promotion, or personnel recruitment, selection or training;

- G) The use of machinery or equipment to prevent or fight fires or to protect employees, such as protective equipment face masks, helmets, gloves, coveralls, and goggles or for safety, accident protection or first aid even though such machinery or equipment may be required by law;

- H) The use of machinery or equipment for general ventilation, heating, cooling, climate control or general illumination, not required by the manufacturing process;

- I) The use of machinery or equipment in the preparation of food and beverages by a retailer for retail sale, i.e., restaurants, vending machines, food service establishments, etc.

- 5) An item of machinery or equipment which initially is used primarily in manufacturing or assembling and having been so used for less than one-half of the useful life is converted to

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primarily nonexempt uses will become subject to tax at the time of the conversion. Such tax will be collected on such portion of the price of the machinery or equipment as was excluded from tax at the time the sale or purchase was made.

- e) Product Use

- 1) The statute requires that the product produced as a result of the manufacturing or assembling process be tangible personal property for sale or lease. Accordingly, a manufacturer or assembler who uses any significant portion of the output of his machinery or equipment, either for internal consumption or any other nonexempt use, or a lessor who leases otherwise exempt machinery and equipment to such a manufacturer or assembler, will not be eligible to claim the exemption on that machinery and equipment. No apportionment of production capacity between output for sale or lease and output for self-use will be permitted and no partial exemption for any item of machinery and equipment will be allowed.

- 2) The production of articles of tangible personal property for sale, a portion of which is diverted by the manufacturer thereof to use as sales samples or as the subjects of quality control testing which renders the articles unfit for sale, will nevertheless be deemed to be production for sale, provided such diversion represents only a small portion of the production of the articles of tangible personal property or of the sale of those articles.

- 3) Machinery and equipment used in the performance of a service, such as dry cleaning, is not used in the production of tangible personal property for sale and is thus taxable. However, a manufacturer or assembler who uses machinery and equipment to produce goods for sale or lease by himself or another, or to perform assembly or fabricating work for a customer who retains the manufacturer or assembler only for his services, will not be liable for tax on the machinery and equipment he uses as long as the goods produced either for himself or another are destined for sale or lease, rather than for use and consumption.

- f) Sales to Lessors of Manufacturers

- 1) For this exemption to apply, the purchaser need not himself employ the exempt machinery or equipment in manufacturing. If the purchaser leases that machinery or equipment to a lessee-manufacturer who uses it in an exempt manner, the sale to the purchaser-lessee will be exempt from tax. A supplier may exclude such sales from his taxable gross receipts provided the purchaser-lessee provides to him a properly completed exemption certificate and the information contained herein would support an exemption if the sale were made directly to the lessee-manufacturer.

- 2) Should a purchaser-lessor subsequently lease the machinery or equipment to a lessee who does not use it in a manner that would

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qualify directly for the exemption, the purchaser-lessor will become liable for the tax from which he was previously exempted.

g) Exemption Certificates

- 1) The user of such machinery or equipment and tools shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction and submit the certificate to the retailer. The certificates shall be retained by the retailer and shall be made available to the Department for inspection or audit. The Department shall prescribe the form of the certificate. If the user has an active registration or resale number, that number may be given in lieu of the prescribed certificate.

- 2) If a manufacturer or lessor purchases at retail from a vendor who is not registered to collect Illinois Use Tax, the purchaser must prepare and retain in his files, the completed exemption certificate. The exemption certificate shall be available to the Department for inspection or audit.

- 3) A vendor who makes sales of machinery or equipment to a manufacturer or lessor of a manufacturer must collect Use Tax, and will owe Retailers' Occupation Tax, on that sale unless the purchaser certifies the exempt nature of the purchase to the vendor as set out above. The Summary Schedule, RR-586, must be submitted in lieu of taxes at the time the taxes are due.

h) Opinions and Rulings

Informal ruling and opinion letters issued by the Department regarding the coverage and applicability of this exemption to specific devices will be maintained by the Department in Springfield. They will be available for public inspection and may be copied or reproduced at taxpayer's expense. Trade secrets or other confidential information in such letters will be deleted prior to release to public access files.

(Source: Amended at 22 Ill. Reg. 310.2-1, effective JAN 27 1998)

SUBPART S: SPECIFIC APPLICATIONS

Section 130.1951 Enterprise Zones

- a) Building Materials Purchased for Physical Incorporation into Real Estate Located in an Enterprise Zone

- 1) Effective September 1, 1985, a deduction from Illinois Retailers' Occupation Tax liability exists for gross receipts from retail sales of building materials which will be incorporated into real estate located in an enterprise zone by remodeling, rehabilitation or new construction. (Section 5k of the Act)
- 2) The retailer of qualifying building materials must be located in the municipality or in the unincorporated area of the county

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which has established the enterprise zone into which the building materials will be incorporated. In order to establish that the retailer is located in the municipality or unincorporated area of the county which has established the enterprise zone, the retailer must at the time of sale:

- A) have an identifiable physical presence in the municipality or the unincorporated area of the county that has established the enterprise zone;
- B) be registered with the Department as a retailer at a location in the municipality or in the unincorporated area of the county that has established the enterprise zone; and
- C) be able to document the acceptance of purchase orders at a location in the municipality or the unincorporated area of the county that has established the enterprise zone.

- 3) In order to establish that the purchaser purchased qualifying building materials from a qualified retailer, the following two separate transactions must exist:

- A) a sale from a supplier to the retailer who is located in the jurisdiction that created the enterprise zone (exempt as sales for resale); and

- B) a sale from the retailer who is located in the jurisdiction that created the enterprise zone to the purchaser (exempt by reason of the enterprise zone building materials exemption).

Note: Each of these transactions must exist independent of the other, and the exemption applicable to each transaction must be properly documented. These transactions must be reflected in the books and records of the qualified retailer.

- 4) The following documentation establishes a sale from a supplier to the retailer who is located in the jurisdiction that created the enterprise zone:

- A) a purchase order from the retailer to the supplier;
- B) a Certificate of Resale from the retailer to the supplier;
- C) an invoice from the supplier to the retailer; and
- D) payment to the supplier from the retailer.

- 5) The following documentation establishes a sale from the retailer who is located in the jurisdiction that created the enterprise zone to the purchaser:

- A) a purchase order from the purchaser to the retailer;
- B) an enterprise zone building materials certification from the purchaser to the retailer containing all of the information set forth at Section 130.1951(a)(6);

- C) an invoice from the retailer to the purchaser; and

- D) payment to the retailer from the purchaser.

- 63) A retailer claiming the deduction must have among its books and records a written statement signed by the purchaser setting out facts which establish the deduction. This purchaser's statement must contain the following information:

- A) a certification by the purchaser that the building materials

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being purchased are being purchased for incorporation into real estate located in an enterprise zone¹⁷ and

B) a description of the building materials being purchased (this may be done by a cross reference to the retailers' invoice number)¹⁷ and

C) the location of the real estate into which the building materials will be incorporated (this may be done by reference to the street address of the real estate)¹⁷ and

D) the name of the enterprise zone in which that real estate is located (and the retailer must insure that he is located within the municipality or in an unincorporated area of the county which established the enterprise zone named in the purchaser's statement)¹⁷ and

E) the purchaser's signature and date of signing.

74) In order to qualify for the deduction, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into real estate. For example, gross receipts from sales of:

- A) common building materials such as lumber, bricks, cement, windows, doors, insulation, roofing materials and sheet metal can qualify for the deduction;¹⁷
- B) plumbing systems and components thereof such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes can qualify for the deduction;¹⁷
- C) heating systems and components thereof such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators can qualify for the deduction;¹⁷
- D) electrical systems and components thereof such as wiring, outlets and light fixtures which are physically incorporated into the real estate can qualify for the deduction;¹⁷
- E) central air conditioning systems, ventilation systems and components thereof which are physically incorporated into the real estate can qualify for the deduction;¹⁷
- F) built-in cabinets and other woodwork which are physically incorporated into the real estate can qualify for the deduction;¹⁷
- G) built-in appliances such as refrigerators, stoves, ovens and trash compactors which are physically incorporated into the real estate can qualify for the deduction;¹⁷
- H) floor coverings such as tile, linoleum and carpeting which is glued or otherwise permanently affixed to the real estate (tacking is not considered to be physical incorporation) can qualify for the deduction.

85) Items which are not physically incorporated into the real estate cannot qualify for the deduction. For example, gross receipts from sales of:

- A) tools, machinery, equipment, fuel, forms and other items

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which may be used by a construction contractor at an enterprise zone building site, but which are not physically incorporated into the real estate, do not qualify for the deduction;¹⁷

- B) free-standing appliances such as stoves, ovens, refrigerators, washing machines, portable ventilation units, window air conditioning units, lamps, clothes washers, clothes dryers, trash compactors and dishwashers which may be connected to and operate from a building's electrical or plumbing system but which do not become a component of those systems do not qualify for the deduction;¹⁷
- C) tacked-down carpeting and other floor coverings which are not physically incorporated into real estate do not qualify for the deduction.

b) Tangible Personal Property Purchased for Use or Consumption within an Enterprise Zone in the Process of Manufacturing or Assembling by Certain Business Enterprises Certified by the Department of Commerce and Community Affairs

- 1) Effective September 25, 1985, the Illinois Retailers' Occupation Tax does not apply to retail sales of tangible personal property to be used or consumed within an enterprise zone or subject to the provisions of Section 5.5 of the Enterprise Zone Act, all tangible personal property to be used or consumed by any high impact business, in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease so long as the use or consumption is made by business enterprises which in the case of a high impact business having been designated pursuant to the terms of Section 5.5(a) of the Enterprise Zone Act [20 ILCS 625/5.5] ~~that--Rev--Stat--1989--ch-~~ ~~67-172--par--669-11~~ or which in the case of an enterprise zone:

- A) Either:
 - (i) make investments which cause the creation of a minimum of 200 full-time equivalent jobs in Illinois; or
 - (ii) make investments which cause the retention of a minimum of 2,000 full-time jobs in Illinois; or
 - (iii) make investments of a minimum of \$40,000,000; and
 - B) are located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act¹⁷ and
 - C) are certified by the Department of Commerce and Community Affairs as complying with the requirements specified in subsections (b)(1)(A) and (B); ~~clauses--(A)--and--(B)--above~~ and
 - D) Retain at least 90% of the jobs in place on the date on which the exemption is granted and for the duration of the exemption. (Sections 1d and 1f of the Act)
- 2) Business enterprises seeking certificates of eligibility must make application to the Department of Commerce and Community Affairs on application forms provided by the Department of Commerce and Community Affairs. The Illinois Department of

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Revenue has no authority to certify business enterprises for the purposes of this exemption.

- 3) Once a business enterprise is certified, only the use or consumption within the enterprise zone of tangible personal property in manufacturing or assembling qualifies for the exemption. No item to be used or consumed outside the Enterprise Zone qualifies for the exemption. Sales of tangible personal property used in activities which do not constitute manufacturing or assembling remain subject to the tax. For purposes of this Section, ~~The Department has defined manufacturing and assembling have the same meaning as ascribed at Section Sections 130.330(b)(2) through (8) of this Part which are incorporated--by reference--herein.~~
- 4) The tangible personal property must be used in a manufacturing or assembling process but is not limited to machinery and equipment. The exemption is available for all tangible personal property used or consumed in manufacturing or assembling and includes *repair and replacement parts for machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale, or lease, and equipment, manufacturing fuels, material and supplies for the maintenance, repair or operation of such manufacturing or assembling machinery or equipment.* (Section 1d of the Act) For example, this exemption extends to:
 - A) machinery and equipment which would otherwise qualify under the manufacturing machinery and equipment exemption because of being used in the activities set out at Section 130.330(d)(3) of this Part, and repair and replacement parts for such machinery and equipment;
 - B) hand tools used in the activities set out at Section 130.330(d)(3) of this Part;
 - C) materials and supplies, such as abrasives, acids, polishing compounds or lubricants used or consumed in the activities set out at Section 130.330(d)(3) of this Part;
 - D) machinery and equipment and hand tools used to maintain, repair or operate machinery and equipment which qualifies for the manufacturing machinery and equipment exemption as set out in Section 130.330 of this Part;
 - E) materials and supplies, such as lubricants, coolants, adhesives, solvents or cleaning compounds used to maintain, repair or operate machinery or equipment which qualifies for the manufacturing machinery and equipment exemption as set out in Section 130.330 of this Part;
 - F) any fuel, such as coal, diesel oil, gasoline, natural gas, artificial gas or steam which would be subject to Retailers' Occupation Tax or Use Tax liability when sold at retail is exempt from those taxes when sold for use as fuel for machinery and equipment which qualifies for the

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manufacturing machinery and equipment exemption as set out in Section 130.330 of this Part, and

- G) protective clothing and safety equipment such as gloves, coveralls, aprons, goggles, safety glasses, face masks and air filter masks used when maintaining, repairing or operating machinery and equipment which qualifies for the manufacturing machinery and equipment exemption as set out in Section 130.330 of this Part.

6) The law requires that tangible personal property be used primarily in manufacturing or assembling. Therefore, tangible personal property which is used primarily in an exempt process and partially in a nonexempt manner would qualify for exemption. However, the purchaser must be able to establish through adequate records that the tangible personal property is used over 50 percent in an exempt manner in order to claim the deduction.

7) The exemption does not extend to tangible personal property which is not used or consumed in the manufacturing or assembling process itself. This is true even though the item is used in an activity which is essential to manufacturing or assembling. For example, the exemption does not extend to:

- A) tangible personal property used or consumed in general production plant maintenance activities or in the maintenance of machinery and equipment which would not qualify for the manufacturing machinery and equipment exemption;
- B) tangible personal property used or consumed in research and development of new products, production techniques or production machinery;
- C) tangible personal property used to store, convey, handle or transport materials, parts or subassemblies prior to their entrance into the production cycle;
- D) tangible personal property used to store, convey, handle or transport finished articles after completion of the production cycle;
- E) tangible personal property used to transport work-in-process or finished articles between production plants;
- F) tangible personal property used or consumed in managerial, sales or other nonproduction, nonoperational activities such as disposal of waste, scrap or residue, inventory control, production scheduling, work routing, purchasing, receiving, accounting, fiscal management, general communications, plant security, product exhibition and promotion or personnel recruitment, selection or training;
- G) tangible personal property used or consumed as general production plant safety equipment;
- H) tangible personal property and fuel used or consumed in general production plant ventilation, heating, cooling, climate control or illumination, not required by a

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manufacturing or assembling process;¹⁷
 I) tangible personal property used or consumed in the preparation of food and beverages by a retailer for retail sale, such as restaurants, vending machines and food service establishments;¹⁷

J) fuel used or consumed in the operation of any machinery or equipment which would not qualify for exemption under the manufacturing machinery and equipment exemption as set out in Section 130.330 of this Part;¹⁷

K) building materials which become physically incorporated into foundations or housings for machinery and equipment--although such building materials may qualify for exemption under the provisions of subsection (a) of this Section ~~Section-130-1951(a)-of-this-Part~~ if all requirements set out therein are met;¹⁷ and

L) building materials dedicated to general construction purposes at a production plant--although such building materials may qualify for exemption under the provisions of subsection (a) of this Section ~~Section-130-1951(a)-of-this-Part~~ if all requirements set out therein are met.

8) This exemption from Illinois Retailers' Occupation Tax is available to all retailers registered to collect Illinois sales tax. It is not restricted to retailers located in jurisdictions which have established enterprise zones.

9) Product Use
 The statute requires that the product produced as a result of the manufacturing or assembling process be tangible personal property for sale or lease. For information concerning this requirement, see Section 130.330(e) of this Part which is incorporated by reference herein.

10) Sales to Lessors of Certified Business Enterprises

The substance and provisions of Section 130.330(f) of this Part are incorporated by reference herein. For the purpose of this incorporation, references in Section 130.330(f) to "manufacturers" mean "certified business enterprises".

11) Exemption Certification

A) When a certified business enterprise (or the lessor to a certified business enterprise) initially purchases qualifying items from an Illinois registered supplier, the supplier must be provided with:

- i) a copy of the current certificate of eligibility issued by the Department of Commerce and Community Affairs;¹⁷ and
- ii) a written statement signed by the certified business enterprise (or its lessor) that the items being purchased will be used or consumed (or leased for use or consumption) in a manufacturing or assembling process at a location in an enterprise zone

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established under the authority of the Illinois Enterprise Zone Act. (Sections 1d, 1e, 1f and 5k of the Act)

B) So long as a copy of a current certificate of eligibility and a statement of exemption are maintained by a supplier, the certified business enterprise (or its lessor) may claim the exemption on subsequent purchases from that supplier by indicating on the face of purchase orders that the transaction is exempt by referencing the certificate of eligibility and statement of exemption. This procedure on subsequent purchases is authorized only so long as the certificate of eligibility remains current. That is, the exemption can be claimed only as to purchases made during the effective period of the certificate of eligibility specified by the Department of Commerce and Community Affairs on the face of the certificate of eligibility.

C) If a certified business enterprise (or its lessor) purchases tangible personal property which is to be used in the process of manufacturing or assembling, then the certified business enterprise (or its lessor) must certify that fact to the seller in writing in order to relieve the seller of the duty of collecting and remitting tax. However, the purchaser who certifies that the item is being purchased for a qualifying use within an enterprise zone by a qualified business enterprise will be held liable for the tax by the Department if it is found that the item was not so used.

D) An item which initially is used primarily in a qualifying manner at a qualifying location but which is converted to a nonexempt use or is moved to a nonexempt location will become subject to tax at the time of its conversion based on the fair market value of the item at the time of conversion.

c) Tangible Personal Property Purchased for Use or Consumption within an Enterprise Zone in the Process of Graphic Arts Production by Certain Business Enterprises Certified by the Department of Commerce and Community Affairs

1) No State or local Retailers' Occupation Tax applies to retail sales of tangible personal property to be used or consumed within an enterprise zone. . . in the process of graphic arts production if used or consumed at a facility which is a Department of Commerce and Community Affairs certified business and located in a county of more than 4,000 persons and less than 45,000 persons so long as the use or consumption is made by business enterprises that:

A) Either:

- (i) make investments which cause the creation of a minimum of 200 full-time jobs in Illinois; or
- (ii) make investments which cause the retention of a minimum of 2,000 full-time jobs in Illinois; or

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(iii) make investments of a minimum of \$40,000,000 and retain at least 90% of the jobs in place on the date on which the exemption is granted and for the duration of the exemption; and

B) are located in an Enterprise Zone established pursuant to the Illinois Enterprise Zone Act; and

C) are certified by the Department of Commerce and Community Affairs as complying with the requirements specified in subsections (c)(1) through (c)(3) of this Part.

2) Business enterprises seeking certificates of eligibility must make application to the Department of Commerce and Community Affairs on application forms provided by the Department of Commerce and Community Affairs. The Illinois Department of Revenue has no authority to certify business enterprises for the purposes of this exemption.

3) Once a business enterprise is certified, only the use or consumption within the enterprise zone of tangible personal property in graphic arts production qualifies for the exemption. No item to be used or consumed outside the Enterprise Zone qualifies for the exemption. Sales of tangible personal property used in activities which do not constitute graphic arts production remain subject to the tax. The Department has defined graphic arts production at Section 130.325(b) of this Part.

4) The tangible personal property must be used in a graphic arts production process but is not limited to machinery and equipment. The exemption is available for all tangible personal property used or consumed in graphic arts production and includes repair and replacement parts for machinery and equipment used primarily in the process of graphic arts production, and equipment, graphic arts fuels, material and supplies for the maintenance, repair or operation of such graphic arts machinery or equipment. (Section 130.325(c)(3) of this Part)

5) For example, this exemption extends to:

- A) machinery and equipment that would otherwise qualify under the graphic arts machinery and equipment exemption because of being used in the activities set out at Section 130.325(c)(3) of this Part and for repair and replacement parts for such machinery and equipment;
- B) printing plates, film, fountain solution, blanket wash, and ink additives used in the activities set out at Section 130.325(c)(3) of this Part;
- C) materials and prep supplies, such as mylar, masking sheets, developer, hardener, fixer, replenishers, and tape used or consumed in the activities set out at Section 130.325(c)(3) of this Part;
- D) machinery and equipment and hand tools used to maintain, repair or operate machinery and equipment which qualifies

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for the graphic arts machinery and equipment exemption as set out in Section 130.325 of this Part;

E) materials and supplies, such as lubricants, coolants, adhesives, solvents or cleaning compounds used to maintain, repair or operate machinery or equipment which qualifies for the graphic arts machinery and equipment exemption as set out in Section 130.325 of this Part;

F) any fuel, such as coal, diesel oil, gasoline, natural gas, artificial gas or steam which would be subject to Retailers' Occupation Tax or Use Tax liability when sold at retail is exempt from those taxes when sold for use as fuel for machinery and equipment which qualifies for the graphic arts machinery and equipment exemption as set out in Section 130.325 of this Part;

G) protective clothing and safety equipment such as ear plugs, safety shoes, gloves, coveralls, aprons, goggles, safety glasses, face masks and air filter masks used when maintaining, repairing or operating machinery and equipment which qualifies for the graphic arts machinery and equipment exemption as set out in Section 130.325 of this Part.

6) The law requires that tangible personal property be used primarily in graphic arts production. Therefore, tangible personal property which is used primarily in an exempt process and partially in a nonexempt manner would qualify for exemption. However, the purchaser must be able to establish through adequate records that the tangible personal property is used over 50 percent in an exempt manner in order to claim the deduction.

7) The exemption does not extend to tangible personal property which is not used or consumed in the graphic arts production process itself. This is true even though the item is used in an activity which is essential to graphic arts production. For example, the exemption does not extend to:

- A) tangible personal property used or consumed in general production plant maintenance activities or in the maintenance of machinery and equipment which would not qualify for the graphic arts production exemption;
- B) tangible personal property used to store, convey, handle or transport materials prior to their entrance into the production cycle;
- C) tangible personal property used to store, convey, handle or transport finished articles after completion of the production cycle;
- D) tangible personal property used to transport work-in-process or finished articles between production plants;
- E) machinery or equipment used to place the printed product in the container, package or wrapping in which such property is normally sold to the ultimate consumer thereof;
- F) machinery and equipment used to gather information,

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photograph, transmit data, edit text, prepare drafts or copy or perform other data-related functions prior to final composition, typesetting, engraving or other preparation of the image carrier.¹⁷

G) Xerographic or photocopying machines.¹⁷

H) word processing, text editing machinery or computerized equipment unless it is an integral part of a final graphic arts operation such as a computer-controlled typesetting machine or equivalent that is used primarily in graphic arts production.¹⁷

I) computers used to store data and generate text, maps, graphs or other print-out formats unless the product is an image carrier to be used to repetitively transfer images by printing. For example, a computer which generates an image which may later be reproduced by a graphic arts process would not qualify while a computer-controlled engraving system which produces printing cylinders and computer-controlled digital typesetting equipment would qualify.¹⁷

J) tangible personal property used or consumed in managerial, sales or other nonproduction, nonoperational activities such as disposal of waste, scrap or residue, inventory control, production scheduling, work routing, purchasing, receiving, accounting, fiscal management, general communications, plant security, product exhibition and promotion or personnel recruitment, selection or training.¹⁷

K) tangible personal property used or consumed as general production plant safety equipment.¹⁷ or

L) tangible personal property and fuel used or consumed in general production plant ventilation, heating, cooling, climate control or illumination, not required by a graphic arts production process.

8) This exemption from Illinois Retailers' Occupation Tax is available to all retailers registered to collect Illinois sales tax. It is not restricted to retailers located in jurisdictions which have established enterprise zones.

9) Sales to Lessors of Certified Business Enterprises
The substance and provisions of Section 130.325(d) of this Part are incorporated by reference herein. For the purpose of this incorporation, references in Section 130.325 to "lessee" mean "certified business enterprises."

10) Exemption Certification

A) When a certified business enterprise (or the lessor to a certified business enterprise) initially purchases qualifying items from an Illinois registered supplier, the supplier must be provided with:

- i) a copy of the current certificate of eligibility issued by the Department of Commerce and Community

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Affairs.¹⁷ and

- ii) a written statement signed by the certified business enterprise (or its lessor) that the items being purchased will be used or consumed (or leased for use or consumption) in a graphic arts production process at a location in an enterprise zone established under the authority of the Illinois Enterprise Zone Act. (Sections 1d, 1e, 1f and 5k of the Act)

B) So long as a copy of a current certificate of eligibility and a statement of exemption are maintained by a supplier, the certified business enterprise (or its lessor) may claim the exemption on subsequent purchases from that supplier by indicating on the face of purchase orders that the transaction is exempt by referencing the certificate of eligibility and statement of exemption. This procedure on subsequent purchases is authorized only so long as the certificate of eligibility remains current. That is, the exemption can be claimed only as to purchases made during the effective period of the certificate of eligibility specified by the Department of Commerce and Community Affairs on the face of the certificate of eligibility.

C) If a certified business enterprise (or its lessor) purchases tangible personal property which is to be used in the process of graphic arts production, then the certified business enterprise (or its lessor) must certify that fact to the seller in writing in order to relieve the seller of the duty of collecting and remitting tax. However, the purchaser who certifies that the item is being purchased for a qualifying use within an enterprise zone by a qualified business enterprise will be held liable for the tax by the Department if it is found that the item was not so used.

D) An item which initially is used primarily in a qualifying manner at a qualifying location but which is converted to a nonexempt use or is moved to a nonexempt location will become subject to tax at the time of its conversion based on the fair market value of the item at the time of conversion.

d) Tangible Personal Property Purchased for Use or Consumption in the Operation of Pollution Control Facilities within an Enterprise Zone by Certain Business Enterprises Certified by the Department of Commerce and Community Affairs

- 1) Effective September 25, 1985, subject to the provisions of Section 1f of the Act or subject to the provisions of Section 5.5 of the Illinois Enterprise Zone Act [20 ILCS 625/5.5] (444 Rev. Stat.-1989, ch.-67-1/27--par--609-1) the Illinois Retailers' Occupation Tax does not apply to gross receipts from retail sales of tangible personal property to be used or consumed in the operation of pollution control facilities ... within an enterprise zone (Section 1e of the Act) so long as the use or

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consumption is made by a business enterprise which has complied with the requirements set out at subsection **Section 130-195a(b)(1)(A), (B) and (C) of this Section Part.**

2) The phrase "pollution control facilities" is defined as:

A) "... any system, method, construction, device, or appliance appurtenant thereto, sold or used or intended for the primary purpose of eliminating, preventing, or reducing air and water pollution as the term 'air pollution' or 'water pollution' is defined in the 'Environmental Protection Act', ... or for the primary purpose of treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant which if released without such treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property." (Section 1a of the Act)

B) The exemption for pollution control facilities described at Section 130.330 of this Part extends only to pollution control facilities and replacement parts therefor.

3) However, if a business enterprise is certified by the Department of Commerce and Community Affairs, all tangible personal property used or consumed by it in the operation of pollution control facilities within an enterprise zone is exempt from tax. In order to qualify, the item must be used exclusively in the enterprise zone and the pollution control facility must be in the enterprise zone. By way of illustration, this exemption includes:

- A) fuel used in operating pollution control facilities;
- B) chemicals used in the operation of pollution control facilities;
- C) catalysts used in the operation of pollution control facilities;
- D) equipment used to test, monitor or otherwise ascertain the suitability of a fuel, chemical or catalyst for use in the operation of pollution control facilities;
- E) equipment used to monitor or otherwise ascertain the effectiveness of pollution control facilities;
- F) lubricants and coolants used in the operation of pollution control facilities;
- G) protective clothing and safety equipment used in the operation of pollution control facilities;
- H) equipment used to transport fuel, chemicals, catalysts, lubricants, coolants or other operational supplies from a stock pile located in the enterprise zone to a pollution control facility located in the same enterprise zone;
- I) equipment used to transport filtered, treated or modified pollutants from a pollution control facility in an enterprise zone to another pollution control facility within the same enterprise zone for further filtering, treatment or

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modification, and equipment used to transport filtered, treated or modified pollutants from a pollution control facility in an enterprise zone to a disposal site in the same enterprise zone.

4) No item used primarily in any activity other than the operation of pollution control facilities within an enterprise zone can qualify for this exemption. No item used or consumed outside the enterprise zone can qualify for the exemption. No item used or consumed in the operation of pollution control facilities which are located outside the enterprise zone can qualify for the exemption. By way of illustration, the exemption does not extend to:

- A) equipment used to transport fuel, chemicals, catalysts or any other tangible personal property from a point outside the enterprise zone to a pollution control facility inside the enterprise zone;
 - B) equipment used to transport filtered, treated or modified pollutants from a pollution control facility in an enterprise zone to any location outside the enterprise zone;
 - C) testing equipment used at a location outside an enterprise zone to monitor or otherwise ascertain the effectiveness of pollution control facilities located in an enterprise zone; or
 - D) testing equipment used at a location in an enterprise zone to monitor or otherwise ascertain the effectiveness of pollution control facilities located outside the enterprise zone.
- 5) This exemption from Illinois Retailers' Occupation Tax is available to all retailers registered to collect Illinois sales tax. It is not restricted to retailers located in jurisdictions which have established enterprise zones.
- 6) Sales to Lessors of Certified Business Enterprises
- A) For this exemption to apply, the purchaser need not himself employ the tangible personal property in the operation of pollution control facilities. If the purchaser leases the items to a lessee-certified business enterprise which uses the items in an exempt manner, the sale to the purchaser-lessee will be exempt from tax. A supplier may deduct such sales from his taxable gross receipts provided the purchaser-lessee provides to him a properly completed exemption certificate and the information contained thereon would support the exemption if the sale were made directly to the lessee-certified business enterprise.
 - B) Should a purchaser-lessee lease the items to a lessee which is not a certified business enterprise or to a certified business enterprise which does not use those items in the

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operation of pollution control facilities within an enterprise zone, then the purchaser-lessor will become liable for the tax from which he was previously exempted.

7) Exemption Certification

A) When a certified business enterprise (or the lessor of a certified business enterprise) initially purchases qualifying items from an Illinois registered supplier, the supplier must be provided with:

- i) a copy of the current certificate of eligibility issued by the Department of Commerce and Community Affairs;
- ii) a written statement of exemption signed by the certified business enterprise (or its lessor) that the items being purchased will be used or consumed (or leased for use of consumption) in the operation of pollution control facilities at a specified location in a named enterprise zone established under the authority of the Illinois Enterprise Zone Act.

B) So long as a copy of a current certificate of eligibility and a statement of exemption are maintained by a supplier, the certified business enterprise (or its lessor) may claim the exemption on subsequent purchases from that supplier by indicating on the face of purchase orders that the transaction is exempt by referencing the certificate of eligibility and statement of exemption. This procedure on subsequent purchases is authorized only so long as the certificate of eligibility remains current. That is, the exemption can be claimed only as to purchases made during the effective period of the certificate of eligibility specified by the Department of Commerce and Community Affairs on the face of the certificate of eligibility.

C) If a certified business enterprise (or its lessor) purchases tangible personal property which could reasonably be used in the operation of pollution control facilities, then the certified business enterprise (or its lessor) should certify to the seller in writing in order to relieve the seller of the duty of collecting and remitting tax on the sale. However, the purchaser who certifies that the item is being purchased for a qualifying use in an enterprise zone by a qualified business enterprise will be held liable for the tax by the Department if it is found that the item was not so used.

D) An item which is used primarily in a qualifying manner at a qualifying location but which is converted to a nonexempt use or is moved to a nonexempt location will become subject to tax at the time of its conversion based on the fair market value of the item at the time of conversion to the nonexempt use.

(Source: Amended at 22 Ill. Reg. effective
JAN 27 1998)

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NOTICE OF EMERGENCY AMENDMENT

1) Heading of the Part: WIC Vendor Management Code

2) Code Citation: 77 Ill. Adm. Code 672

3) Section Numbers: Emergency Action:

672.100 Amendment

672.220 Amendment

672.225 Amendment

672.515 Amendment

672.520 Amendment

672.600 Amendment

4) Statutory Authority: Implementing and authorized by the WIC Vendor Management Act [410 ILCS 255]

5) Effective Date of Amendments: January 22, 1998

6) If this emergency amendment is to expire before the end of the 150-day period, please specify the date on which it is to expire: Not to expire before the end of 150 day period.

7) Date filed in Agency's Principal Office: January 22, 1998

8) Reason for Emergency: The current rule as written does not differentiate between the Director of Public Health and the Secretary of the Department of Human Services. In addition, the rule as written does not clearly identify the appropriate agency responsible for WIC vendor hearings.

9) A Complete Description of the Subject and Issues Involved: The WIC Vendor rules, which were recodified under the Department of Human Services, neglected to change the definition (Section 672.100) of "Director" to refer to the Secretary of the Department of Human Services. This amendment will clarify where the term "Director" should read "Secretary".

Section 672.600 is being amended to make clear that the mention of Department refers to Department of Public Health and not Department of Human Services. The rule says: "Any notices issued and hearing held shall be in accordance with the Department's Rules of Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100)." Department would refer to Department of Human Services, not Department of Public Health. This is being changed to avoid confusion.

10) Are there any other amendments pending on this Part? No

11) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create nor expand a State mandate.

12) Information and questions regarding this amendment shall be directed to:

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Ms. Susan Warner-Weir, Bureau Chief
Bureau Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue East
3rd Floor, Harris Bldg.
Springfield, IL 62762
(217) 785-9772
TTY: (217) 557-1547

If because of physical disability you are unable to put comments into writing, you may make them orally to the person listed above.

The full text of the emergency amendments begins on the next page:

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TITLE 77: PUBLIC HEALTH
CHAPTER X: DEPARTMENT OF HUMAN SERVICES
SUBCHAPTER i: MATERNAL AND CHILD HEALTH

PART 672

WIC VENDOR MANAGEMENT CODE

SUBPART A: GENERAL PROVISIONS

Section

672.100 Definitions

EMERGENCY

672.105 Incorporated and Referenced Materials

672.110 Purpose

672.115 Application of These Rules

SUBPART B: WIC VENDOR APPLICATION AND AUTHORIZATION PROCESS

Section

672.200 Geographic Distribution and Number of Vendors

672.205 Application Procedures

672.210 Authorization Criteria and Procedures

672.215 WIC Food List and Quantities

672.220 Criteria for Denial of Authorization

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672.225 Denial of Authorization

EMERGENCY

SUBPART C: WIC VENDOR EDUCATION

Section

672.300 Initial WIC Retail Training by the Department

672.305 Initial WIC Retail Training by a Vendor

672.310 Annual WIC Retail Training Program

672.315 Compliance Training Workshop (Repealed)

SUBPART D: WIC VENDOR AUTHORIZATION AND RESPONSIBILITIES

Section

672.400 Authorization

672.405 WIC Vendor Contract Requirement

672.410 Expiration of WIC Vendor Authorization and Contract

672.415 Food Instrument Processing

672.420 Specifications for Rejection of Food Instruments

672.425 WIC Retail Vendor Responsibilities

672.430 Payment Obligation

672.435 Conflict of Interest

672.440 Unlawful Discrimination

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672.445 Amendments Resulting From a Change in Statute or Regulation
672.450 Assignment or Transfer
672.455 Civil Law Suits
672.460 Voluntary Withdrawal from the WIC Vendor Contract
672.465 Notices

SUBPART E: WIC VENDOR COMPLIANCE AND SANCTIONS

Section

672.500 Compliance Monitoring Inspections

672.505 Violations

672.510 WIC Vendor Sanctions

672.515 Criteria for Termination or Suspension of Authorization, Prohibition,
and/or Fine AssessmentEMERGENCY

672.520 Breach of Contract

EMERGENCY

672.525 Notice of Violation (Repealed)

SUBPART F: RULES OF PRACTICE AND PROCEDURES IN ILLINOIS WIC RETAIL VENDOR
ADMINISTRATIVE HEARINGS

Section

672.600 Hearings

EMERGENCY

672.605 Parties to Hearings (Repealed)

672.610 Appearance and Representation of a Party

672.615 Commencement of an Action (Repealed)

672.620 Motions (Repealed)

672.625 Discovery (Repealed)

672.630 Form of Papers (Repealed)

672.635 Service (Repealed)

672.640 Pre-Hearing Conferences (Repealed)

672.645 Conduct of Hearings (Repealed)

672.650 Subpoenas (Repealed)

672.655 Burden of Proof (Repealed)

672.660 Administrative Law Judge's Report and Final Decision (Repealed)

672.665 Records of Proceedings (Repealed)

672.670 Miscellaneous (Repealed)

APPENDIX A Illinois Regional Map

AUTHORITY: Implementing and authorized by the WIC Vendor Management Act [410 ILCS 255].

SOURCE: Adopted at 14 Ill. Reg. 19984, effective December 1, 1990; amended at 16 Ill. Reg. 17734, effective December 15, 1992; amended at 18 Ill. Reg. 2450, effective February 1, 1994; emergency amendment at 18 Ill. Reg. 13125,

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effective August 12, 1994, for a maximum of 150 days; amended at 19 Ill. Reg. 606, effective January 9, 1995; amended at 19 Ill. Reg. 16086, effective November 20, 1995; amended at 21 Ill. Reg. 3960, effective March 15, 1997; recodified from the Department of Public Health to the Department of Human Services at 21 Ill. Reg. 9323; emergency amendment at 22 Ill. Reg. 9324, effective January 22, 1998.

SUBPART A: GENERAL PROVISIONS

Section 672.100 Definitions
EMERGENCY

- "Act" means the WIC Vendor Management Act [410 ILCS 255].
- "Administrative Law Judge" means any person appointed by the ~~Secretary~~ **Director** to preside at an Administrative Hearing.
- "Administrative Warning" means a written notice which describes the nature of a violation to the WIC Program and a request for correction of the violation.
- "Applicant" means the individual, partnership, limited partnership, unincorporated association, limited liability company, or corporation applying to be a WIC Retail Vendor.
- "Applicant's Composite Food Package Cost" means an amount determined by first multiplying the quantity of each WIC Food item in the Composite Market Basket times the Applicant's lowest shelf price for each item as determined during the Retail Vendor Price Survey. These totals are then added together to determine the cost of all items in the Composite Market Basket. In determining the lowest shelf price for juice, cheese and cereal, the Department will use the average of the lowest shelf prices of the two varieties which the Department has determined are the most frequently received varieties of that WIC Food item. If the Applicant has no supply of one or both of the most frequently received varieties, the Department will use the one or two varieties with the lowest shelf price. In determining the lowest shelf price for infant formula, the Department will use a weighted average of the lowest shelf prices for the WIC approved brands, taking into account the percentage of each brand used by WIC Participants.
- "Application" means the application forms and other required materials submitted by a Business Entity to notify the Department that the Business Entity desires to become a WIC Retail Vendor.
- "Authorization" means the approval of an Applicant who has met the WIC Vendor criteria and possesses a properly executed, valid WIC Vendor Contract as a WIC Retail Vendor.

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- "Business Entity" means the retail business which an Applicant or authorized WIC Vendor operates at a particular Vendor Site.
- "Composite Market Basket" means those quantities of WIC Food items received by a statistically average WIC Participant over a one month period.
- "Contested Case" shall have the meaning ascribed it in Section 1-30 of the Illinois Administrative Procedure Act [5 ILCS 100/1-30].
- "Corporate Officer" means the identity of the officer of a Corporation as set forth in its Articles of Incorporation as filed with the Secretary of State wherein such entity is incorporated.
- "CSFP" means the Commodity Supplemental Food Program which is a Federal food assistance program through which the Department or its Representative provide U.S. Government commodities to low-income women, infants and children and eligible elderly.
- "Department" means the Illinois Department of Human Services ~~Public Health~~. (Section 3(a) of the Act)
- "Department Estimated Cost" means estimated prices based on indicators including wholesale prices for WIC foods and the self reported Vendor prices on the Vendor Retail Price Survey, which are averaged and weighted by Store Type and Region.
- "Department Representative" or "Representative of the Department" means an employee or authorized agent of the Department.
- ~~"Director" means the Director of the Illinois Department of Public Health or designee.~~
- "Expired Food" means a WIC Food item available to WIC Participants on a store shelf which exceeds the stamped date printed on the food item and labeled as one of the following: expiration date, "Sell By" date, "Best If Used By" date, or "Best When Purchased By" date, printed on the item.
- "Food Instrument" or "FI" means a negotiable voucher issued by a Local Agency that specifies the quantity, size and type of authorized foods available to a WIC Participant within a designated time period, which can subsequently be taken to a Vendor in exchange for the specified quantities of food.
- "Food Voucher" means Food Instrument.
- "Grocery Store" means a fixed and permanent retail store whose primary

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business is the sale of food.

"TAPA" means the Illinois Administrative Procedure Act [5 ILCS 100].

"Illinois WIC Retail Food Delivery System" means the system in which Participants obtain WIC foods by submitting a Food Voucher to a WIC Retail Vendor.

"Invalid Vendor" is a rejection label which means a Food Instrument deposited or mailed by a Vendor which has been encoded and rejected by the Department's contract bank for the following reasons: the Food Instrument has not been stamped with the Vendor Number, the Vendor Number is unauthorized, unreadable, not in the space indicated, or a counterfeit Vendor Stamp is used. Typed or handwritten numbers shall not be accepted.

"Limited Liability Company" means a company organized and existing under the Limited Liability Company Act [805 ILCS 180].

"Local Agency" means a public or private, non-profit health or human services agency which provides health services, either directly or through contract, in accordance with the USDA WIC Regulations, the Act, or this Part.

"Minimum Supply of WIC Foods" means the Department published list of the minimum required quantities, sizes, and types of WIC Foods which must be maintained in stock at all times by a Vendor.

"Participant" means authorized pregnant women, breastfeeding women, postpartum women, infants or children who are receiving supplemental foods or Food Instruments under the WIC Program.

"Participant Requested Delivery" means a Participant requested delivery of WIC approved foods from a Vendor to an address specified by the WIC Participant or Proxy.

"Participant/Vendor Ratio" means the total number of WIC Participants redeeming Food Instruments through WIC Retail Vendors in a given region divided by the total number of WIC Retail Vendors in the same region.

"Pharmacy" means any store, shop, department, or other place, at a fixed and permanent location, having the capability to dispense and sell or offer for sale at retail value by a licensed pharmacist drugs, medicines, poisons, and liquid foods, prescribed for an individual by dentists, veterinarians, and physicians licensed to practice medicine in all its branches.

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"Posted Shelf Price" means the clearly displayed price of WIC Foods charged to the general public, identifying the price of the specific WIC Food item. When no price is posted, the Posted Shelf Price shall be deemed to be the average price for a particular food item based on the Retail Vendor Price Survey for stores of like size and location.

"Proxy" means a person who is authorized by the Local Agency and the WIC Participant to accept and/or redeem Food Instruments on a participant's behalf.

"Region" means a geographic area in the State of Illinois which is identified by specific boundaries determined by the Department. (See Section 672. Appendix A.)

"Regional Average Composite Food Package Cost" means an amount determined by first multiplying the quantity of each WIC Food item in the Composite Market Basket times the average regional shelf price for that item as derived from the Retail Vendor Price Survey for that region weighted to reflect the distribution of Store Types in the Region. These totals are then added together to determine the regional average cost of all items in the Composite Market Basket.

"Retail Vendor Price Survey" means the current prices, reported to the Department, by a Vendor or a Department Representative, as charges for WIC Foods.

"Secretary" means the Secretary of the Illinois Department of Human Services or designee.

"Store Type" means the classification of WIC Retail Vendors by the number of active customer check-out lanes/cash registers. One or two lanes is a type 1 Vendor Site. Three or four lanes is a type 2 Vendor Site. Five to seven lanes is type 3 Vendor Site. Eight or more lanes is a type 4 Vendor Site. A Pharmacy is a type 5 Vendor Site and a WIC Food Center is a type 6 Vendor Site.

"USDA" means the United States Department of Agriculture.

"USDA WIC Regulations" means the Regulations of the United States Department of Agriculture, Food and Consumer Service, Special Supplemental Nutrition Program for Women, Infants, and Children (7 CFR 246 (1990)).

"Valid WIC Retail Vendor Contract" means a contract that is binding only between the Department and the officer, partner or sole proprietor who originally signed the Vendor Application and Vendor Contract.

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"Vendor" or "WIC Retail Vendor" means the individual, partnership, limited partnership, unincorporated association, limited liability company, or corporation authorized by the Department to accept Food Instruments and to provide supplemental food to WIC Participants, Proxies of WIC Participants or Department Representatives.

"Vendor Number" means the number assigned to an authorized Vendor by the Department for validating Food Instruments.

"Vendor Site" means a fixed and permanent location, operating as a Business Entity, listed in the WIC Vendor Application, which has been authorized by the Department for purposes of delivery of WIC Foods to WIC Participants or the Proxy of a WIC Participant.

"Vendor Stamp" means the stamp provided to a Vendor by the Department for validating Food Instruments.

"Violation" means an infringement of Federal or State rules or statutes or local laws.

"WIC Food Centers" are WIC food distribution sites through which the Department or its Representative provide the direct distribution of WIC foods.

"WIC Food List" means the published list of the State of Illinois authorized WIC Foods.

"WIC Foods" means those competitively priced foods which have been placed on the WIC Food List, which have been determined by the Department to be nutritionally qualified for the WIC Program in the State of Illinois.

"WIC Participant Identification Card" means the card issued by a Local Agency to a Participant for purposes of the WIC Program.

"WIC Vendor Contract" means an agreement signed by the WIC Retail Vendor and the Department for the provision of WIC Foods to Participants, the Proxies of WIC Participants or Department Representatives.

"Women Infants and Children Nutrition Program" and "WIC" mean the Federal Special Supplemental Nutrition Program for Women Infants and Children authorized by Section 17 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1786). (Section 3(a) of the Act)

(Source: Amended by emergency rulemaking at 22 Ill. Reg. effective January 22, 1998, for a maximum of 150 days)

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SUBPART B: WIC VENDOR APPLICATION AND AUTHORIZATION PROCESS

Section 672.220 Criteria for Denial of Authorization

EMERGENCY

A determination by the Secretary Director to deny Authorization shall be based upon a finding that one (1) or more of the following criteria are met:

- a) The Applicant has not met the requirements of the USDA WIC Regulations, the Act, or this Part.
- b) The Applicant has submitted false, erroneous, or inaccurate information on the Application, or in the business or financial information provided to the Department or during the course of the on site inspection of the proposed Vendor Site.
- c) The Applicant has refused to allow the Department access to inspect the proposed Vendor Site during the Applicant's normal business hours.
- d) The Applicant has submitted a FEIN or Social Security number for the Business Entity to be operated at the proposed Vendor Site which is not the same FEIN or Social Security number filed for the same Business Entity with the USDA Food Stamp Program and/or with the Illinois Department of Revenue.
- e) The Applicant does not have the necessary local, municipal, or village license to operate as a Business Entity at the proposed Vendor Site.
- f) With the exception of Pharmacies, the Applicant has previously been authorized as a WIC Vendor and the Applicant's charges as a Vendor for WIC Foods, for a minimum of three (3) months during the contract period, were:
 - 1) more than the Department Estimated Costs for those WIC Foods as reflected in the Vendor Price Survey; or
 - 2) at least five percent (5%) or greater than the average charges submitted by other Vendors of the same Store Type in the same geographic region.
- g) The Applicant has previously been authorized as a WIC Vendor and the Applicant had more than one percent (1%) per month of all Food Instruments submitted to the contract bank rejected for a maximum of three (3) months during a contract period.
- h) The USDA Food Stamp Program has imposed against the Applicant any of the following sanctions:
 - 1) civil money penalty;
 - 2) suspension;
 - 3) disqualification;
 - 4) permanent disqualification.
- i) Failure to pay any fine or reimbursement within the time specified by the Department.

(Source: Amended by emergency rulemaking at 22 Ill. Reg. effective January 22, 1998, for a maximum of 150 days)

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Section 672.225 Denial of Authorization

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EMERGENCY

- a) Application for Authorization as a WIC Retail Vendor shall be denied when the Secretary Director finds that an Applicant meets any of the criteria set forth in Section 672.220.
- b) When the Secretary Director determines that the Application for Authorization as a WIC Retail Vendor is to be denied, the Department shall notify the Applicant. The notice to the Applicant shall be in writing and shall include:
 - 1) A clear and concise statement of the basis for denial. The statement shall include a citation to the USDA WIC Regulations, the Act, or the provisions of this Part for which the Application is being denied.
 - 2) A description of the right of the Applicant to appeal the denial of the Application within fifteen (15) calendar days of receipt of the letter and the right to a hearing.
 - 3) A statement that the Applicant may not reapply again for a minimum one hundred eighty (180) calendar days from the date of the notice.

(Source: Amended by emergency rulemaking at 22 Ill. Reg. effective January 22, 1998, for a maximum of 150 days)

SUBPART E: WIC VENDOR COMPLIANCE AND SANCTIONS

Section 672.515 Criteria for Termination or Suspension of Authorization, Prohibition, and/or Fine AssessmentEMERGENCY

- a) A determination by the Secretary Director to terminate Authorization and impose a fine assessment shall be based upon a finding that one (1) or more of the following criteria are met:
 - 1) the Vendor has not met one (1) or more requirements of the USDA WIC Regulations, the Act, or the provisions of this Part;
 - 2) the Vendor has submitted false, erroneous, or inaccurate information on the Application, in the business or financial information provided to the Department, on the Retail Vendor Price Survey, or during the course of inspections of the Vendor Site;
 - 3) the Vendor has been found by the Department to have violated provisions of Section 672.505(a);
 - 4) the Vendor has submitted a Federal Employers Identification Number (FEIN) for the Business Entity operating as a Vendor which differs from the FEIN filed for the same Business Entity with the USDA Food Stamp Program or with the Illinois Department of Revenue;
 - 5) the Vendor has not fulfilled the terms of the WIC Vendor Contract; or

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- 6) any person with an ownership interest of thirty percent (30%) or more in any entity authorized as a WIC Retail Vendor who has been convicted of criminal activity in connection with the USDA WIC Program.
- b) A determination by the Secretary Director to impose a fine shall be based upon a finding that a Vendor has been found by the Department to have violated provisions of Section 672.505(b).
- c) A determination by the Secretary Director to prohibit Vendor activity and impose a fine shall be based upon the finding that a former Vendor, individual, Business Entity or commercial enterprise violated provisions of Section 672.505(c) or engaged in the activities of a WIC Vendor. (See Section 672.510(c))
- d) A determination by the Secretary Director to prohibit Vendor activity shall be based upon a finding that the Vendor failed to provide any information as specified in USDA WIC regulations, the Act, or the provisions of this Part which shall be deemed a material breach of contract.
- e) If the Vendor fails to pay any fine assessed under this Part within thirty (30) calendar days from the date of the final order, the Department shall suspend the Vendor and an additional fine of \$1,500.00 shall be required to reinstate Vendor Authorization.
- f) When the Secretary Director determines that the termination or suspension of a WIC Vendor's Authorization, prohibition of activity, and/or imposition of fine assessment is to occur, the Department shall notify the Vendor, individual, Business Entity or commercial enterprise that engages in WIC Vendor activities. The notice shall be in writing and shall include:
 - 1) A statement of the nature of the basis for the adverse actions. The statement shall include a citation to the provisions of the USDA WIC Regulations, the Act, or this Part on which the sanction is based.
 - 2) A description of the right of the Vendor, individual, Business Entity or commercial enterprise to appeal the adverse action and the right to a hearing.

(Source: Amended by emergency rulemaking at 22 Ill. Reg. effective January 22, 1998, for a maximum of 150 days)

Section 672.520 Breach of ContractEMERGENCY

- a) Upon determination by the Secretary Director that a substantial breach of contract has been committed by a Vendor, the Department shall repudiate its contract with the Vendor and terminate the Vendor Authorization.
- b) In determining whether a Vendor has committed a substantial breach of contract the Secretary Director shall consider whether participants would be unduly inconvenienced and may consider other relevant

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criteria.

- c) Any repudiation to the contract by the Department and resultant termination of the Retail Vendor Contract will take effect only after the Vendor receives 15-day advance written notification of the adverse action, the cause(s) for and effective date of such action.

(Source: Amended by emergency rulemaking at 22 Ill. Reg. 2100, effective January 22, 1998, for a maximum of 150 days)

SUBPART F: RULES OF PRACTICE AND PROCEDURES IN ILLINOIS WIC RETAIL VENDOR ADMINISTRATIVE HEARINGS

Section 672.600 Hearings

EMERGENCY

Any sanctions imposed pursuant to Section 672.225 or 672.510 of this Part shall afford the adversely affected party thereto the opportunity to appeal such action by requesting a hearing within fifteen (15) calendar days after receipt of notice. Until superseded by a rule promulgated by the Department of Human Services for hearings, any Any notices issued and hearings held shall be in accordance with the Department of Public Health's Department's Rules of Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100), except that when used for WIC hearings, the term "Department" shall mean the Department of Human Services rather than the Department of Public Health, with the addition of the following provisions:

- a) An administrative hearing must be requested within fifteen (15) calendar days after receipt of notice. Failure to request a hearing within this time frame shall constitute a waiver of the person's right to an administrative hearing.
- b) Motions for a continuance shall be granted only in accordance with Section 2-1007 of the Code of Civil Procedure (Ill. Rev. Stat. 1991, ch. 110, par. 2-1007)(735 ILCS 5/2-1007). Motions for continuance shall be in writing and filed at least three (3) calendar days prior to the hearing. Such motions shall state the basis for the request and all steps taken to avoid the necessity of a continuance.
 - 1) Only one continuance each shall be allowed for the Vendor, Applicant and the Department. No continuance may be for more than fourteen (14) calendar days.
 - 2) After one continuance has been granted to a party, an additional continuance may be granted to that party only if there is a bona fide emergency or "Act of God."
- c) The burden of proof rests with the Department in relation to all administrative actions initiated by the Department pursuant to Section 672.510.
- d) The burden of proof rests with the Applicant as to all administrative actions initiated upon a petition for hearing filed by an Applicant after the denial of Authorization under Section 672.225.
- e) Construction of Rules: This Part shall not be construed to abrogate,

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modify, or limit any rights, privileges, or immunities granted or protected by the Constitution or laws of the United States or the Constitution or laws of the State of Illinois. In case of any conflict between this Part and the WIC Vendor Management Act, the terms of the latter shall control. In case of any conflict between this Part and Article II of the Code of Civil Procedure or the Supreme Court practice rules, the terms of this Part shall control.

- f) Waiver: Compliance with any of the provisions of Subpart F of this Part or with any or all provisions of the IAPA regarding contested cases may be waived by written stipulation of all parties.

(Source: Amended by emergency rulemaking at 22 Ill. Reg. 1000, effective January 22, 1998, for a maximum of 150 days)

DEPARTMENT OF REVENUE

NOTICE OF EMERGENCY RULEMAKING

- 1) Heading of the Part: Renewable Energy Resources and Coal Technology Development Assistance Charge

- 2) Code Citation: 86 Ill. Adm. Code 517

- 3) Section Numbers:
 Emergency Action:
 517.100 New Section
 517.110 New Section
 517.120 New Section
 517.130 New Section

- 4) Statutory Authority: 20 ILCS 2505/39b19. 20 ILCS 605/46.20. Pursuant to 5 ILCS 220, an Interagency Agreement was entered into on January 27, 1998 by and between the Illinois Department of Commerce and Community Affairs and the Illinois Department of Revenue, the terms of which granted collection authority under the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, P.A. 90-561, to the Department of Revenue.

- 5) Effective Date of Rules: January 27, 1998

- 6) If these emergency rules are to expire before the end of the 150-day period, please specify the date on which it is to expire: N/A

- 7) Date filed in Agency's principal office: January 27, 1998

- 8) Reason for Emergency: The provisions of P.A.90-561 were enacted into law on December 16, 1997 and are effective January 1, 1998. The Department of Commerce and Community Affairs recently entered into an Interagency Agreement with the Department of Revenue, pursuant to 5 ILCS 220, to collect the Renewable Energy Resources and Coal Technology Development Assistance Charge. In order to implement and administer these provisions, rules are necessary to inform utilities and cooperatives of the requirements regarding the filing of returns and the election to impose the charge. Further, the provisions are intended to improve the environmental quality and public health in the State of Illinois.

- 9) A Complete Description of the Subjects and Issues Involved: Provides that municipal electric utilities or electric cooperatives that make affirmative decisions to impose the Renewable Energy Resources and Coal Technology Development Assistance Charge shall inform the Department of Revenue in writing of that decision when they begin their imposition of the charge. Provides that monthly returns are due on or before the 20th day of the month following the month the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected. Also sets forth the information required to be included on the return.

- 10) Are there any amendments to this Part pending: No

DEPARTMENT OF REVENUE

NOTICE OF EMERGENCY RULEMAKING

- 11) Statement of Statewide Policy Objectives: This emergency rulemaking neither imposes a State mandate, nor modifies an existing mandate.

- 12) Information and questions regarding this rulemaking shall be directed to:

Melanie Jarvis
 Terry Charlton
 Associate Counsels
 Illinois Department of Revenue
 Legal Services Office - Room 5-500
 101 West Jefferson
 Springfield, Illinois 62794
 217/782-6996

The full text of the emergency rulemaking begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF EMERGENCY RULEMAKING

TITLE 86: REVENUE
CHAPTER 1: DEPARTMENT OF REVENUEPART 517
RENEWABLE ENERGY RESOURCES AND COAL TECHNOLOGY DEVELOPMENT
ASSISTANCE CHARGE

Section

517.100

EMERGENCY

Definitions

517.110 Nature of Renewable Energy Resources and Coal Technology Development Assistance Charge

EMERGENCY

517.120 Renewable Energy Resources and Coal Technology Development Assistance Charge Rates

EMERGENCY

517.130 Renewable Energy Resources and Coal Technology Development Assistance Charge Return

EMERGENCY

AUTHORITY: 20 ILCS 2505/39b19 and 20 ILCS 605/46.20. Pursuant to 5 ILCS 220, an Interagency Agreement was entered into on January 27, 1998 by and between the Illinois Department of Commerce and Community Affairs and the Illinois Department of Revenue, the terms of which granted collection authority under the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, P.A. 90-561, to the Department of Revenue

SOURCE: Adopted by emergency rule at 22 Ill. Reg. 9141, effective January 27, 1998, for a maximum of 150 days.

Section 517.100 Definitions

EMERGENCY

For the purposes of this Part:

"non-residential electric service" means electric utility service which is not residential electric service [305 ILCS 20/13];

"non-residential gas service" means gas utility service which is not residential gas service [305 ILCS 20/13];

"residential electric service" means electric utility service for household purposes delivered to a dwelling of 2 or fewer units which is billed under a residential rate, or electric utility service for household purposes delivered to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit [305 ILCS 20/13];

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"residential gas service" means gas utility service for household purposes distributed to a dwelling of 2 or fewer units which is billed under a residential rate, or gas utility service for household purposes distributed to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit [305 ILCS 20/13].

Section 517.110 Nature of Renewable Energy Resources and Coal Technology Development Assistance Charge
EMERGENCY

a) The charges imposed by this Part shall only apply to customers of municipal electric utilities and electric cooperatives if the municipal electric utility or electric cooperative makes an affirmative decision to impose the charge. (Section 6-5(e) of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 (see P.A. 90-561))

b) If a municipal electric utility or an electric cooperative makes an affirmative decision to impose the charge, such municipal electric utility or electric cooperative shall inform the Department of Revenue in writing of such decision when it begins to impose such charge.

Section 517.120 Renewable Energy Resources and Coal Technology Development Assistance Charge Rates
EMERGENCY

The Renewable Energy Resources and Coal Technology Development Assistance Charge shall be assessed monthly for each customer account as follows:

- \$0.05 per month on each account for residential electric service as defined in Section 517.100 of this Part;
- \$0.05 per month on each account for residential gas service as defined in Section 517.100 of this Part;
- \$0.50 per month on each account for non-residential electric service, as defined in Section 517.100 of this Part, taking less than 10 megawatts of peak demand during the previous calendar year;
- \$0.50 per month on each account for non-residential gas service, as defined in Section 517.100 of this Part, taking less than 4,000,000 therms of gas during the previous calendar year;
- \$37.50 per month on each account for non-residential electric service, as defined in Section 517.100 of this Part, taking 10 megawatts or greater of peak demand during the previous calendar year; and
- \$37.50 per month on each account for non-residential gas service, as defined in Section 517.100 of this Part taking 4,000,000 or more therms of gas during the previous calendar year. (Section 6-5(a) of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 (see P.A. 90-561))

Section 517.130 Renewable Energy Resources and Coal Technology Development

DEPARTMENT OF REVENUE

NOTICE OF EMERGENCY RULEMAKING

**Assistance Charge Return
EMERGENCY**

- a) The Renewable Energy Resources and Coal Technology Development Assistance Charge collected shall be paid to the Department of Revenue by the entities assessing this charge with a monthly return due on or before the 20th day of the month following the month in which the Renewable Energy Resources and Coal Technology Development Assistance Charges were collected.
- b) The return required to be filed under subsection (a) of this Section shall be signed and verified and contain all of the following information:
 - 1) name of utility or cooperative;
 - 2) address of utility or cooperative;
 - 3) Illinois Business Tax Number, Federal Employer Identification Number, or Registration Number;
 - 4) total number of residential accounts for gas service, electric service, or both upon which the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected;
 - 5) total number of non-residential accounts for gas service taking less than 4 million therms of gas during the previous calendar year upon which the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected;
 - 6) total number of non-residential accounts for gas service taking 4 million or more therms of gas during the previous calendar year upon which the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected;
 - 7) total number of non-residential accounts for electric service taking less than 10 megawatts of peak demand during the previous calendar year upon which the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected;
 - 8) total number of non-residential accounts for electric service taking 10 megawatts or greater of peak demand during the previous calendar year upon which the Renewable Energy Resources and Coal Technology Development Assistance Charge was collected;
 - 9) such other information as the Department of Revenue may reasonably require.

SECRETARY OF STATE

NOTICE OF CORRECTION TO NOTICE PAGE ONLY

- 1) **Heading of the Part:** Certificate of Title, Registration and Vehicle. Issuance of Title and Registration Without Standard Ownership Documents-Bond
- 2) **Code Citation:** 92 Ill. Adm. Code 1010
- 3) The Notice of Proposed amendments being corrected appeared at 22 Ill. Reg. 2080, dated January 23, 1998.
- 4) The information being corrected is as follows: This new rule will affect any person or businesses applying for title or registration for a vehicle without standard documents supporting the claim of ownership. This rule implements current Secretary of State policy allowing an applicant to receive title by posting a surety bond. This amendment will not impose additional duties on entities regulated by the Secretary of State, and the only professional skills relevant to this rulemaking are those of the appraiser for the purpose of calculating bond amount.
- 5) **Time, Place and Manner** in which interested persons may comment on this proposed rulemaking. Written comments may be submitted within 45 days to:

Carol Sudman, Assistant Counsel
298 Howlett Building
Springfield, Illinois 62756
217/785-3094

DEPARTMENT OF HUMAN SERVICES

JANUARY 1998 REGULATORY AGENDA

- a) Part(s) (Heading and Code Citation): Provider Requirements, Type Service and Rates of Payment, 89 Ill. Adm. Code 686

1) Rulemaking:

- A) Description: Allow the client seeking to employ a Personal Assistant to request DHS to pay for Criminal Background Checks

- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- b) Part(s) (Heading and Code Citation): Provider Requirements, Type Services and Rates of Payment, 89 Ill. Adm. Code 686

1) Rulemaking:

- A) Description: New material on Home Services Programs and services for persons with HIV or AIDS.

- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc.

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JANUARY 1998 REGULATORY AGENDA

will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: 89 Ill. Adm. Code 716

- c) Part(s) (Heading and Code Citation): Services to Persons with HIV or AIDS, 89 Ill. Adm. Code 716

1) Rulemaking:

- A) Description: Repeals the section

- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East

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Springfield, IL 62762

- G) Related rulemakings and other pertinent information: 89 Ill. Adm. Code 686

d) Part(s) (Heading and Code Citation): Minimum Standards for Certification of Developmental Training Programs, 59 Ill. Adm. Code 119

1) Rulemaking:

A) Description: To reflect changes in federal financial participation in reimbursing for vocational and prevocational training.

B) Statutory Authority: The Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15.2]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? Not-for-profit, Community Facilities providing these services will benefit.

F) Agency contact person for information:

Susan Warrner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

e) Part(s) (Heading and Code Citation): Determination of Need (DON) and Resulting Service Cost Maximums (SCM), 89 Ill. Adm. Code 679

1) Rulemaking:

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A) Description: Changes service cost maximums to reflect legislation passed and appropriate levels.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warrner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

f) Part(s) (Heading and Code Citation): Developmental Disabilities Services, 89 Ill. Adm. Code 144

1) Rulemaking:

A) Description: Updates and recodifies this part which deals with services provided by Residential Criteria.

B) Statutory Authority: Implementing Article III of the Illinois Health Finance Reform Act [20 ILCS 2215] and implementing and authorized by Articles III, IV, V, VI and Sections 12 and 13 of the Illinois Public Aid Code [305 ILCS 5].

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

DEPARTMENT OF HUMAN SERVICES

JANUARY 1998 REGULATORY AGENDA

- D) Date agency anticipates First Notice: February 1998
- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- g) Part(s) (Heading and Code Citation): Drug Abuse Program, 77 Ill. Adm. Code 2055

1) Rulemaking:

- A) Description: This part has been replaced by other rules adopted by the Department of Human Services. The purpose of this rulemaking will be to repeal this section.

- B) Statutory Authority: Illinois Alcoholism and Dependency Act [20 ILCS 305]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: January 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

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- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- h) Part(s) (Heading and Code Citation): Drug Abuse Programs, 77 Ill. Adm. Code 2060

1) Rulemaking:

- A) Description: Rules on confidentiality of patient information 77 IAC 2030.319 and Confidentiality of HIV Antibody and AIDS Status 77 IAC 2030.321.

- B) Statutory Authority: Illinois Vehicle Code [625 ILCS 5] and the Alcoholism and Other Drug Dependency Act [20 ILCS 301]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: March 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: These revisions are part of the effort to consolidate Confidentiality sections of the legacy agencies into DHS.

- i) Part(s) (Heading and Code Citation): Protection of Client Records and Confidentiality, 77 Ill. Adm. Code 2030.

1) Rulemaking:

- A) Description: Confidentiality requirements for final repayments in Office of Alcoholism and Substance Abuse.

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B) Statutory Authority: Illinois Alcoholism and Substance Abuse Act [20 ILCS 305/1-104]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: These revisions are part of the effort to consolidate Confidentiality sections of the legacy agencies into DHS.

J) Part(s) (Heading and Code Citation): Client Financial Participation, 89 Ill. Adm. Code 562.

1) Rulemaking:

A) Description: Amendments to clarify the Part and add standard budget allowances as agreed with JCAR.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

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F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

K) Part(s) (Heading and Code Citation): Comparable Benefits, 89 Ill. Adm. Code 567

1) Rulemaking:

A) Description: Amendments pursuant to changed in federal regulations at 34 CFR 361.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
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G) Related rulemakings and other pertinent information: No other information related to this rulemaking is determined to be necessary at this time.

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1) Part(s) (Heading and Code Citation): Eligibility, 89 Ill. Adm. 5531) Rulemaking:

A) Description: Amendments pursuant to changes in federal regulations at 34 CFR 361.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information related to this rulemaking is determined to be necessary at this time.

m) Part(s) (Heading and Code Citation): Services, 89 Ill. Adm. Code 5901) Rulemaking:

A) Description: Amendments pursuant to changes in federal regulations at 34 CFR 361.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A.

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88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
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G) Related rulemakings and other pertinent information: No other information related to this rulemaking is determined to be necessary at this time.

n) Part(s) (Heading and Code Citation): Community Rehabilitation Programs, 89 Ill. Adm. Code 5301) Rulemaking:

A) Description: Amendments pursuant to changes in federal regulations at 34 CFR 361 and to combine the approval process for community rehabilitation programs within DHS.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services

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100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- n) Part(s) (Heading and Code Citation): Advisory Councils, 89 Ill. Adm. Code 515

1) Rulemaking:

- A) Description: Amendments pursuant to changes in federal regulations at 34 CFR 361.

- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- o) Part(s) (Heading and Code Citation): Individualized Written Rehabilitation Plan, 89 Ill. Adm. Code 572

1) Rulemaking:

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- A) Description: Amendments pursuant to changes in federal regulations at 34 CFR 361.

- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- o) Part(s) (Heading and Code Citation): Closure, 89 Ill. Adm. Code 617

1) Rulemaking:

- A) Description: Amendments pursuant to changes in federal regulations at 34 CFR 361.

- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

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E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

p) Part(s) (Heading and Code Citation): Confidentiality, 89 Ill. Adm. Code 505

1) Rulemaking:

A) Description: This Part will be combined with all other confidentiality rules from all other legacy agencies.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: May 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be

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necessary at this time.

q) Part(s) (Heading and Code Citation): Access to Information, 2 Ill. Adm. Code 1276

1) Rulemaking:

A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: Freedom of Information Act [5 ILCS 1401/1]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

r) Part(s) (Heading and Code Citation): Freedom of Information, 2 Ill. Adm. Code 1026

1) Rulemaking:

A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: Freedom of Information Act [5 ILCS 140/1]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need

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for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998
- E) Effect small business, small municipalities or not for profit corporations? None
- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- s) Part(s) (Heading and Code Citation): Hearing Officer Standards, 2 Ill. Adm. Code 1177

1) Rulemaking:

- A) Description: This part will be combined with all other hearing officer standards rules of all other legacy agencies.

B) Statutory Authority:

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: May 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures

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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- t) Part(s) (Heading and Code Citation): Administrative Law Judges, 2 Ill. Adm. Code 1027

1) Rulemaking:

- A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority:

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: May 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- u) Part(s) (Heading and Code Citation): Education and Training, 59 Ill. Adm. Code 108

1) Rulemaking:

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A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: Mental Health and Developmental Disabilities Code [405 ILCS 5/5]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

v) Part(s) (Heading and Code Citation): Early Intervention Programs, 59 Ill. Adm. Code 121

1) Rulemaking:

A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: The Early Intervention Services System Act [325 ILCS 20/9]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

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E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

w) Part(s) (Heading and Code Citation): Individual Care Grants for Mentally Ill Children, 59 Ill. Adm. Code 135

1) Rulemaking:

A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: Mental Health and Developmental Disabilities Code [405 ILCS 5/5]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be

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necessary at this time.

- x) Part(s) (Heading and Code Citation): Department Facilities and Grounds, 59 Ill. Adm. Code 102

1) Rulemaking:

- A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

- B) Statutory Authority: Mental Health and Developmental Disabilities Act [405 ILCS 5/5]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- y) Part(s) (Heading and Code Citation): Personnel, 59 Ill. Adm. Code 104

1) Rulemaking:

- A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

- B) Statutory Authority: Mental Health and Developmental Disabilities Act [405 ILCS 5/5]

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- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- z) Part(s) (Heading and Code Citation): WIC Vendor Management Act, 77 Ill. Adm. Code 672

1) Rulemaking:

- A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

- B) Statutory Authority: WIC Vendor Management Act [410 ILCS 255]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief

DEPARTMENT OF HUMAN SERVICES

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Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

aa) Part(s) (Heading and Code Citation): Rules of Practice and Procedure in Administrative Hearings, 77 Ill. Adm. Code 2000

1) Rulemaking:

- A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: Alcoholism and Substance Abuse Act [20 ILCS 305]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warrner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ab) Part(s) (Heading and Code Citation): Drug Abuse Programs, 77 Ill. Adm. Code 2055,

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1) Rulemaking:

- A) Description: This Part will be combined with all other appeal and hearing rules from all other legacy agencies.

B) Statutory Authority: Alcoholism and Substance Abuse [20 ILCS 305]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: February 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warrner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ac) Part(s) (Heading and Code Citation): School Based-Linked Health Centers, 77 Ill. Adm. Code ??? (To be determined)

1) Rulemaking:

- A) Description: Compiling standards to bring uniformity to "school-based, linked health centers".

B) Statutory Authority: To be determined

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: 1998

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E) Effect small business, small municipalities or not for profit corporations? Undetermined

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ad) Part(s) (Heading and Code Citation): WIC Vendor Management Code, 77 Ill. Adm. Code 672

1) Rulemaking:

A) Description: Language changes in definitions, "Director" to "Secretary".

B) Statutory Authority: WIC Vendor Management Act [410 ILCS 255]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

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ae) Part(s) (Heading and Code Citation): Advisory Councils, 89 Ill. Adm. Code 515

1) Rulemaking:

A) Description: Review for purposes of combining legacy agencies rules regarding Advisory Councils into DHS.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

af) Part(s) (Heading and Code Citation): Americans with Disabilities Act, 4 Ill. Adm. Code 300

1) Rulemaking:

A) Description: Review for the purpose of consolidating all legacy agencies rules regarding the Americans with Disabilities Act into DHS.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need

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for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: Title 4 Illinois Administrative Code 500, Americans with Disabilities Act Grievance Procedures

ag) Part(s) (Heading and Code Citation): Americans with Disabilities Act Grievance Procedures, 4 Ill. Adm. Code 500

1) Rulemaking:

A) Description: Review for the purpose of consolidating all rules regarding the A.D.A. Grievance Procedures from all other legacy agencies into DHS.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

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Susan Warner-Weir, Bureau Chief
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Springfield, IL 62762

G) Related rulemakings and other pertinent information: Title 4, Grievance Procedures, Part 300, Americans with Disabilities Act Grievance Procedures

ah) Part(s) (Heading and Code Citation): Admission, Suspension, Expulsion, and Discharge Procedures, 89 Ill. Adm. Code 755

1) Rulemaking:

A) Description: Procedures for student's attending DHS schools

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ai) Part(s) (Heading and Code Citation): Identification, Evaluation and Placement of Exceptional Children, 89 Ill. Adm. Code 795

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1) Rulemaking:

A) Description: Educational services for students attending DHS schools.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

a) Part(s) (Heading and Code Citation): Impartial Due Process Hearing, 89 Ill. Adm. Code 800

1) Rulemaking:

A) Description: Repeal of this Part

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

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D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ak) Part(s) (Heading and Code Citation): Rules of Conduct, 89 Ill. Adm. Code 827

1) Rulemaking:

A) Description: Providers regarding discipline and behavior of students attending a DHS School.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
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- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

al) Part(s) (Heading and Code Citation): Sex Equity, 89 Ill. Adm. Code 829

1) Rulemaking:

- A) Description: Rulemaking deals with the same-sex supervision of students.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Schedule Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: May 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

am) Part(s) (Heading and Code Citation): Voter Registration Program, 89 Ill. Adm. Code 880

1) Rulemaking:

- A) Description: Provides rules for opportunity for citizens to register to vote.

B) Statutory Authority: National Voter Registration Act of 1993 [42

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U.S.C. 1973 gg, et. seq.}

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: May 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

an) Part(s) (Heading and Code Citation): New Part

1) Rulemaking:

- A) Description: Will provide procedures for appealing educational decisions made by DHS schools.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

- E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

DEPARTMENT OF HUMAN SERVICES

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Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ao) Part(s) (Heading and Code Citation): Temporary Assistance for Needy Families, 89 Ill. Adm. Code 112

1) Rulemaking: Exempt Reimbursements

- A) Description: The Department plans to propose rulemaking to exempt employment-related reimbursements for past or future expenses to the extent they do not exceed actual incurred expenses and do not represent a gain or benefit to the client.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
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- G) Related rulemakings and other pertinent information: The Department intends to propose companion amendments to 89 Ill. Adm. Code 114.

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ap) Part(s) (Heading and Code Citation): Temporary Assistance for Needy Families, 89 Ill. Adm. Code 112

1) Rulemaking: Revise Striker Provisions

- A) Description: Proposed rulemaking to define strikers. Clarifies that an individual who has been or is on strike at any time during a fiscal month is considered a striker for the entire fiscal month. Clarifies that an employee affected by a lockout is not a striker.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

- E) Effect small business, small municipalities or not for profit corporations? The Department is unaware of any effect this rulemaking may have on small businesses, small municipalities or not-for-profit corporations.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

aq) Part(s) (Heading and Code Citation): Aid to the Aged, Blind or Disabled, 89 Ill. Adm. Code 113

- 1) Rulemaking: Clarify Cash Assistance Provisions for AABD Clients Found Not Blind or Not Disabled

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A) Description: Proposed rulemaking to clarify the provisions for continuing or reinstating AABD cash assistance to clients who, while receiving AABD assistance, are found "not blind" or "not disabled" by the SSA and appeal that decision to SSA.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ar) Part(s) (Heading and Code Citation): General Assistance, 89 Ill. Adm. 114

1) Rulemaking: Exempt Reimbursements

A) Description: Proposed rulemaking to exempt employment-related reimbursements for past or future expenses to the extent they do not exceed actual incurred expenses and do not represent a gain or benefit to the client.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc.

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will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

as) Part(s) (Heading and Code Citation): Related Program Provisions, 89 Ill. Adm. Code 117

1) Rulemaking: Implement New Hire Match

A) Description: Proposed rulemaking to implement the New Hire Match. Department conducts periodic New Hire Match of Department records and new hire information reported by employers. The purpose is to discover unreported earned income of persons receiving TANF cash and/or food stamp benefits.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

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E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

at) Part(s) (Heading and Code Citation): Food Stamps, 89 Ill. Adm. Code 121

1) Rulemaking: Clarify Expedited Service Provisions, Proof of Application for a Social Security Number for Newborns, and Recertification Provisions

A) Description: Proposed rulemaking to clarify expedited service provisions, proof of application for a social security number for newborns and recertification provisions. This rulemaking intends to clarify that food stamp units applying for recertification between the 15th and the last day of the last month of their current certification period are not entitled to expedited services. This rulemaking will also establish that food stamp units with a newborn will have until their next recertification or six months from the date of the infant's birth, whichever is later, to submit proof of application for a social security number for the infant. As a result of this rulemaking, the application of a food stamp unit who files a request for recertification but fails to appear for a scheduled interview or provide requested verifications within ten calendar days will be denied.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted

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for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

au) Part(s) (Heading and Code Citation): Food Stamps, 89 Ill. Adm. Code 121

1) Rulemaking: Clarify Provisions for Pre-paid Funeral Agreements over \$1500

A) Description: Proposed rulemaking to clarify provisions regarding prepaid funeral agreements over \$1500. The value of nonexempt assets is considered in determining eligibility for Food Stamps. This rulemaking intends to establish that the value of nonexempt assets will be the equity value (fair market value minus the amount owed), except for licensed vehicles and prepaid funeral agreements valued over \$1500.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

DEPARTMENT OF HUMAN SERVICES

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Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

av) Part(s) (Heading and Code Citation): Food Stamps, 89 Ill. Adm. Code 121

- 1) Rulemaking: Increase Gross/New Monthly Income Standards and Benefit Amounts

- A) Description: The Department plans to propose rulemaking to increase the Gross and Net Monthly Income Standards and the Monthly Benefit Amounts.

- B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

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aw) Part(s) (Heading and Code Citation): Food Stamps, 89 Ill. Adm. Code 121

- 1) Rulemaking: Increase Air Conditioning/Heating Standard and Electric Standard Allowances

- A) Description: The Department plans to propose rulemaking to increase the Air Conditioning/Heating Standard and the Electric Standard Allowances.

- B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

- E) Effect small business, small municipalities or not for profit corporations? None

- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ax) Part(s) (Heading and Code Citation): Food Stamps, 89 Ill. Adm. Code 121

- 1) Rulemaking: Implement State Food Program

- A) Description: The Department plans to propose rulemaking to implement the State Food Program. The State Food Program is being created to provide assistance with the food needs of individuals ineligible for the Food Stamps Program solely due to citizenship requirements. The Program will be designed to provide nutrition services to noncitizens who are 65 years of age or older, under 18

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years of age, or disabled, and who were in the United States prior to August 22, 1996 and who are not eligible for the federal Food Stamp Program due to their noncitizen status.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ay) Part(s) (Heading and Code Citation): Food Stamps, 89 Ill. Adm. Code 121

1) Rulemaking: Implement Illinois Works and Job Training Partnership Act (JTPA) Employability Services Components

A) Description: Proposed rulemaking to implement the Illinois Works and JTPA Employability Services Components. The Illinois Works Component will be designed to provide participants with a meaningful orientation to work, work experience or training and to assist them in finding jobs. The JTPA Employability Services Component will be designed to provide participants with a meaningful orientation, assessment, and training and to assist them in finding jobs.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS

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5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

az) Part(s) (Heading and Code Citation): Collections and Recoveries, 89 Ill. Adm. Code 165

1) Rulemaking: Change in Recovery Provisions

A) Description: The Department plans to propose rulemaking to establish that if a Food Stamp overpayment is \$125 or less, and the household is no longer participating in the Food Stamp Program, no action will be taken to recover the overpayment.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: The Department has not

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determined when Notices of Proposed Rulemaking will be submitted for publication in the *Illinois Register*.

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, Illinois 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

ba) Part(s) (Heading and Code Citation): Personnel, 59 Ill. Adm. Code 104

1) Rulemaking:

A) Description: Section 104.20, Mistreatment of service recipients will be repealed and replaced by Part 50, Office of the Inspector General Investigations of Alleged Incidents of Abuse and Neglect in Community Agencies (59 Ill. Adm. Code 50)

B) Statutory Authority: Authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures

DEPARTMENT OF HUMAN SERVICES

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Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bb) Part(s) (Heading and Code Citation): Treatment and Habilitation Services, 59 Ill. Adm. Code 112

1) Rulemaking:

A) Description: This Part regulates the utilization review process, the admission, treatment and habilitation of persons with mental retardation, physical and dental examinations of recipients of services, the use of informed consent, release and burial of deceased recipients, protection of human subjects, and the use of narcotics and the use and administration of psychotropic drugs in Department facilities.

Sections 112.10 will be amended to clarify that individuals admitted to the Department under the provisions of Article 104 of the Code of Criminal Procedure of 1963 or Section 5-2-4 of the Unified Code of Corrections and those individuals admitted under these same statutes who are moved from one Department facility to another Department facility are not entitled to a utilization review hearing. Section 112.30 will be amended to reference the most current accreditation standards. Section 112.80 will be amended to delete the list of narcotics and psychotropic drugs for use in Department facilities since this is no longer required by statute. Section 112.90 will be amended to implement Sections 2-107.1 and 2-107.2 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/2-107.1].

B) Statutory Authority: Implementing Sections 2-107.1, 2-107.2, 3-207, 3-405, 3-903, 3-910, 4-209, 4-312, 4-704 and 4-709 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/2-107.1, 3-207, 3-405, 3-903, 3-910, 4-209, 4-312, 4-704, and 4-709] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois

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Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: April 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will not affect small business, small municipalities or not for profit corporations. This rulemaking will only affect Department-operated facilities.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bc) Part(s) (Heading and Code Citation): Purchase of Service Programs for Individuals with a Developmental Disability, 59 Ill. Adm. Code 114

1) Rulemaking:

A) Description: This new Part establishes the Department's policies and procedures for funding community-based services for eligible individuals in purchase of service-funded programs.

B) Statutory Authority: Implementing Section 3 of the Community Services Act [405 ILCS 30/3], the Community-Integrated Living Arrangements Licensure and Certification Act [210 ILCS 135] and Section 15 and 15.2 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15 and 15.2] and authorized by Section 9 of the Community-Integrated Living Arrangements Licensure and Certification Act [210 ILCS 135/9], Sections 5-104 of the Mental Health and Developmental Disabilities Code and Sections 15 and 15.2 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15 and 15.2].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves providers of services to individuals with developmental disabilities or mental illness in the development of

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its rules and amendments to those rules, through the formation of committees on which the providers and other interested parties serve. In this manner, the public affected by the rulemaking can actively participate in the rulemaking development.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of purchase of service programs for individuals with developmental disabilities.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bd) Part(s) (Heading and Code Citation): Standards and Licensure Requirements for Community-Integrated Living Arrangements, 59 Ill. Adm. Code 115

1) Rulemaking:

A) Description: This part will be amended to address the composition of the community service team, intermediate sanctions, water temperature, electronic recordkeeping and foster care. In addition, Part 115 will be amended to reflect recent amendments to the Health Care Worker Background Check Act [225 ILCS 46], which added to the list of offenses which are enumerated in this part.

B) Statutory Authority: Implementing the Community-Integrated Living Arrangements Licensure and Certification Act [210 ILCS 135] and the Health Care Worker Background Check Act [225 ILCS 46] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104 and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of

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Public Aid and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of community-integrated living arrangements residential services.

F) Agency contact person for information:

Susan Warrner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

be) Part(s) (Heading and Code Citation): Family Assistance and Home-Based Support Programs for Persons with Mental Disabilities, 59 Ill. Adm. Code 117

1) Rulemaking:

A) Description: The Home-Based Support Services Law for Mentally Disabled Adults [405 ILCS 80/2-1] authorizes the Department to encourage, develop, sponsor and fund home-based services for adults who are mentally disabled in order to provide alternatives to institutionalization and to permit them to remain in their own homes.

The Family Assistance Law for Mentally Disabled Children [405 ILCS 80/3-1] mandates the Department to strengthen and promote families who provide care in the family home for children whose level of mental illness or developmental disability constitutes a risk of out-of-home placement.

Part 117 will be amended to implement P.A. 88-388, effective August 20, 1993 as well as to clarify Department policy concerning

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the use of funds which providers and families receive through the programs regulated by these rules. It is also being amended to clarify the random selection process which is used to choose individuals for participation in the programs and to clarify which individuals are entitled to have a hearing. Criteria for service termination will be expanded, provisions for a lump sum payment to participating families and for the reinstatement of a stipend will be added, and the eligibility criteria for adults with mental illness will be changed. In addition, numerous technical changes, such as updating statutory citations, will be made.

B) Statutory Authority: Implementing the Home-Based Support Services Law for Mentally Disabled Adults [405 ILCS 80/2-1] and the Family Assistance Law for Mentally Disabled Children [405 ILCS 80/3-1] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: April 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of mental health and developmental disabilities services.

F) Agency contact person for information:

Susan Warrner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

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bf) Part(s) (Heading and Code Citation): Minimum Standards for Certification of Developmental Training Programs, 59 Ill. Adm. Code 119

1) Rulemaking:

- A) Description: This part will be amended to reflect recent amendments to the Health Care Worker Background Check Act [225 ILCS 46], which added to the list of offenses which are enumerated in this Part.
- B) Statutory Authority: Implementing Section 15.2 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/15.2] and the Health Care Worker Background Check Act [225 ILCS 46] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of developmental training programs.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

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bg) Part(s) (Heading and Code Citation): Recipient Discharge/Linkage Aftercare, 59 Ill. Adm. Code 125

1) Rulemaking:

- A) Description: Part 125 will be amended to update language and to reflect current Department policy.
- B) Statutory Authority: Implementing Sections 15, 15.2, 15a, 15b, and 16 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15, 15.1, 15a, 15b and 16] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: April 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will impact community providers of mental health and developmental disabilities services where the Department has placed discharged individuals. The Department monitors services provided to these individuals by these agencies.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

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bh) Part(s) (Heading and Code Citation): Medicaid Community Mental Health Services Program, 59 Ill. Adm. Code 132

1) Rulemaking:

A) Description: This Part will be amended to apply deemed status to community providers accredited by the Joint Commission on the Accreditation of Healthcare Organizations, the Council on Accreditation of Services for Families and Children, Accreditation Council or the Commission on Accreditation of Rehabilitation Facilities and to reflect current Department policies.

B) Statutory Authority: Implementing and authorized by the Community Services Act [405 ILCS 30] and Section 15.3 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15.3].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: May 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of Medicaid community mental health services programs.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bi) Part(s) (Heading and Code Citation): Individual Care Grants for Mentally

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Ill Children, 59 Ill. Adm. Code 135

1) Rulemaking:

A) Description: Part 135 will be amended to update language, clarify eligibility, delete procedural information, require increased parental participation and input in the treatment process, reflect current practice by supporting consideration of in-home/community-based services in lieu of residential placement when clinically appropriate, streamline the eligibility determination process using licensed clinical professionals as single reviewers and institute utilization review procedures.

B) Statutory Authority: Implementing Section 7.1 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/7.1] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of mental health services and both proprietary and not for profit providers of residential treatment programs for children, adolescents and young adults in Illinois and in other states.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other

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information regarding this rulemaking is determined to be necessary at this time.

bj) Part(s) (Heading and Code Citation): Intermediate Care Programs for Persons with Developmental Disabilities, 59 Ill. Adm. Code 144 (title is tentative)

1) Rulemaking:

A) Description: This rulemaking will involve the development of one or more Parts. Part 144 was recodified from the Department of Public Aid to the Department of Human Services effective July 1, 1997. These rules will be amended as necessary in response to House Bill 3713 (P.A. 87-9666, effective January 1, 1993) which transferred the responsibility for these programs from the Department of Public Aid to the Department of Mental Health and Developmental Disabilities (now Department of Human Services).

Substantive changes to Part 144 concerning dental care, exceptional care and references to "HSA" (health service areas) in favor of "geographic area" will be made. The Department will also propose amendments to this Part regarding downsizing ICF/MR facilities (intermediate care facilities for the mentally retarded).

B) Statutory Authority: Implementing Section 18.2 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/18.2] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of

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intermediate care facilities for individuals with developmental disabilities.

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bk) Part(s) (Heading and Code Citation): Residential Programs for Persons with Mental Illness, 59 Ill. Adm. Code 200

1) Rulemaking:

A) Description: New Part 200 will pull together in one set of rules the standards and licensure requirements for community residential programs for persons with mental illness.

B) Statutory Authority: Implementing the Community Services Act [405 ILCS 30] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: May 1998

E) Effect small business, small municipalities or not for profit corporations? This rulemaking will affect community providers of residential programs for persons with mental illness.

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F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bl) Part(s) (Heading and Code Citation): Sexually Violent Committed Persons Act, 59 Ill. Adm. Code 299

1) Rulemaking:

A) Description: This new rulemaking implements the Sexually Violent Committed Persons Act (P.A. 90-40, approved June 30, 1997 and effective January 1, 1998).

B) Statutory Authority: Implementing the Sexually Violent Committed Persons Act (P.A. 90-40, approved June 30, 1997 and effective January 1, 1998) and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: The Department has not scheduled any hearings on this rulemaking. However, the Department routinely involves other State agencies, such as the Department of Public Aid, and providers of services to individuals with developmental disabilities or mental illness in the development of its rules and amendments to those rules, through the formation of committees on which the providers and other State agencies are represented. In this manner, the public affected by the rulemaking, can actively participate in the rulemaking's development.

D) Date agency anticipates First Notice: January 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief

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Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bm) Part(s) (Heading and Code Citation): Customer Rights & Responsibilities, 89 Ill. Adm. Code 677

1) Rulemaking: Confidentiality of Information

A) Description: Rules on confidentiality of information for the Home Services Program.

B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

bn) Part(s) (Heading and Code Citation): Confidentiality, 89 Ill. Adm. Code 505

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1) Rulemaking:

- A) Description: The rules on release of confidential information with and without client consent.
- B) Statutory Authority: The Disabled Persons Rehabilitation Act [20 ILCS 2405] and Social Security Regulations at 20 CFR 401 and authorized by Section 16 of the Civil Admin. Code of Illinois [20 ILCS 5/16].
- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.
- D) Date agency anticipates First Notice: March 1998
- E) Effect small business, small municipalities or not for profit corporations? None
- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: No other information regarding this rulemaking is determined to be necessary at this time.

- bo) Part(s) (Heading and Code Citation): Standards and Requirements for Preadmission Screening and Participating Mental Health Centers, 59 Ill. Adm. Code 258

1) Rulemaking:

- A) Description: Section 258.370 ensures that an individual's rights are protected including the right to confidentiality.
- B) Statutory Authority: Implementing P.A. 88-484 [405 ILCS 5] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/5].

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- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.
- D) Date agency anticipates First Notice: March 1998
- E) Effect small business, small municipalities or not for profit corporations? None
- F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

- G) Related rulemakings and other pertinent information: This is part of the effort to consolidate DHS rules on confidentiality.

- bp) Part(s) (Heading and Code Citation): Medicaid Community Mental Health Service Program, 59 Ill. Adm. Code 132

1) Rulemaking:

- A) Description: Sections 132.20 and 132.82 deal with the rules on Client rights and confidentiality of client information and recordkeeping.
- B) Statutory Authority: Implementing and authorized by the Community Services Act [405 ILCS 30] and Section 15.3 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15.3].
- C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

- D) Date agency anticipates First Notice: March 1998

- E) Effect small business, small municipalities or not for profit corporations? None

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F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: This is part of the effort to consolidate DHS rules on confidentiality.

bq) Part(s) (Heading and Code Citation): Early Intervention Program, 59 Ill. Adm. Code 121

1) Rulemaking:

A) Description: Section 121.25 deals with confidentiality and rights of the child and family.

B) Statutory Authority: Implementing and authorized by Section 9 of the Early Intervention Service System Act [325 ILCS 20/9].

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: This is part of the effort to consolidate all DHS rules on confidentiality.

br) Part(s) (Heading and Code Citation): Program Requirements, 59 Ill. Adm. Code 119

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1) Rulemaking:

A) Description: Section 119.235 outlines the individual rights and confidentiality rules for all persons served.

B) Statutory Authority: Implementing and authorized by Section 15.2 of the Mental Health and Developmental Disabilities Administrative Act [20 ILCS 1705/15.2].

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: This is part of an effort to consolidate all DHS rules on confidentiality.

bs) Part(s) (Heading and Code Citation): Family Assistance and Home-Based Support Programs for Persons with Mental Disabilities, 59 Ill. Adm. Code 117

1) Rulemaking: Subpart A: General Provisions

A) Description: The Section on Individual Records and Informed Consent (119.125) is being revised to consolidate confidentiality rules.

B) Statutory Authority: Implementing the Home-Based Support Services Law for Mentally Disabled Adults [Ill. Rev. Stat. 1989, ch. 91 1/2, par. 1802-1 et seq.] and the Family Assistance Law for Mentally Disabled Children (Ill. Rev. Stat. 1989, ch. 91 1/2, par. 1803-1 et seq.) and authorized by Section 2-16 of the Home-Based Support Services Law for Mentally Disabled Adults (Ill. Rev. Stat.

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1989, ch. 91 1/2, par. 1802-16), Section 5-104 of the Mental Health and Developmental Disabilities Code (Ill. Rev. Stat. 1989, ch. 91 1/2, par. 5-104) and Section 100-5 of the Department of Mental Health and Developmental Disabilities Act" (Ill. Rev. Stat. 1989, ch. 91 1/2, par. 100-5, amended by P.A. 86-1324, effective September 6, 1990).

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: This is part of an effort to consolidate all DHS rules on confidentiality.

bt) Part(s) (Heading and Code Citation): 59 Ill. Adm. Code 115.250

1) Rulemaking:

A) Description: The section outlines the individual rights and confidentiality requirements for agencies licensed to certify Community Integrated Living Arrangements.

B) Statutory Authority: Implementing the Community Integrated Living Arrangement Licensure Certification Act [210 ILCS 135] and authorized by the Mental Health and Developmental Disability Code [405 ILCS 5/5-104] and Section 5 of the Mental Health and Developmental Disability Administrative Act [20 ILCS 1705/5].

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A.

DEPARTMENT OF HUMAN SERVICES

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88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

G) Related rulemakings and other pertinent information: This is part of an effort to consolidate rules on confidentiality with DHS.

bu) Part(s) (Heading and Code Citation): Rights and Responsibilities, 89 Ill. Adm. Code 102

1) Rulemaking:

A) Description: The rules on confidentiality of care information of DHS programs previously in the Department of Public Aid.

B) Statutory Authority: The Illinois Public Aid Code [305 ILCS 5/12-13]

C) Scheduled Meeting/Hearing Date: DHS does not anticipate the need for public input over the First Notice Period. Hearings, etc. will be held if necessary as required by the Illinois Administrative Procedures Act [5 ILCS 100] as amended by P.A. 88-667.

D) Date agency anticipates First Notice: March 1998

E) Effect small business, small municipalities or not for profit corporations? None

F) Agency contact person for information:

Susan Warner-Weir, Bureau Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue, East
Springfield, IL 62762

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- G) Related rulemakings and other pertinent information: This is part of the effort to consolidate confidentiality rules within DHS.

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- a) Part(s) (Heading and Code Citation): Acupuncture Practice Act (New Part)
1) Rulemaking:

A) Description: A new Part will be written to implement the Act that created this newly regulated profession in Illinois. The Department is required to promulgate rules to establish licensure standards and procedures for those desiring to practice acupuncture in Illinois. When the rules are adopted, the Department can start accepting applications.

B) Statutory Authority: [225 ILCS number to be determined]

C) Schedule meeting/hearing date: No hearings or meetings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: The effects on businesses providing acupuncture services are yet to be determined beyond the fact that licensure will be required.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

- b) Part(s) (Heading and Code Citation): Environmental Health Practitioner Licensing Act (68 Ill. Adm. Code 1247)

1) Rulemaking:

A) Description: Continuing education rules will be proposed.

B) Statutory Authority: [225 ILCS 37]

C) Schedule meeting/hearing date: No hearings have been scheduled, but meetings have been held with the Board of Environmental Health Practitioners and rules will be on the agenda of future Committee meetings until the Department's proposed amendments are ready for publication in the Illinois Register.

D) Date agency anticipates First Notice: February 1998

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E) Effect on small businesses, small municipalities or not for profit corporations: Licensed environmental health practitioners and providers of continuing education will be affected.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

c) Part(s) (Heading and Code Citation): Professional Geologist Licensing Act (68 Ill. Adm. Code 1252)

1) Rulemaking:

A) Description: Seal language will be added; various sections may need to be revised due to the newness of regulation of this profession.

B) Statutory Authority: [225 ILCS 745]

C) Schedule meeting/hearing date: No hearings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: Licensed geologists and those seeking licensure will be affected.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

d) Part(s) (Heading and Code Citation): Interior Design Profession Title Act (68 Ill. Adm. Code 1255)

1) Rulemaking:

A) Description: Professional conduct standards will be established and the interior design curriculum may be modified.

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B) Statutory Authority: [225 ILCS 310]

C) Schedule meeting/hearing date: No hearings or meetings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: Licensed interior designers will be affected.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

e) Part(s) (Heading and Code Citation): Illinois Land Surveyor Act of 1989 (68 Ill. Adm. Code 1270)

1) Rulemaking:

A) Description: Professional conduct standards and a clarification of the experience and education requirements.

B) Statutory Authority: [225 ILCS 330]

C) Schedule meeting/hearing date: No hearings or meetings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: Licensed land surveyors and those seeking licensure.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

f) Part(s) (Heading and Code Citation): Medical Practice Act of 1987 (68

DEPARTMENT OF PROFESSIONAL REGULATION

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Ill. Adm. Code 1285)

1) Rulemaking:

A) Description: The medical rules will be amended to update sections regarding approved postgraduate clinical training programs (1285.40), application for examination (1285.50), licensure by endorsement (1285.80), visiting physician permits (1285.101), the renewal section (1285.120), continuing medical education, to allow for hearings of licensees whom the Department intends to deny, and other sections as may be needed as a result of the 1997 Sunset Review of the Act.

B) Statutory Authority: [225 ILCS 425]

C) Schedule meeting/hearing date: No hearings have been scheduled, but numerous meetings have been held with the Medical Licensing Board and rules will be on the agenda of future Board meetings until the Department's proposed amendments are ready for publication in the Illinois Register.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: The effects on licensed physicians are yet to be determined.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

g) Part(s) (Heading and Code Citation): Home Medical Equipment and Services Provider License Act (New Part)

1) Rulemaking:

A) Description: A new Part will be written to implement the Act that created this newly regulated profession in Illinois. The Department is required to promulgate rules to establish licensure standards and procedures for those desiring to be home medical equipment and service providers in Illinois. When the rules are adopted, the Department can start accepting applications.

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B) Statutory Authority: [225 ILCS number to be determined]

C) Schedule meeting/hearing date: No hearings or meetings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: The effects on businesses providing home medical equipment and services are yet to be determined beyond the fact that licensure will be required.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

h) Part(s) (Heading and Code Citation): Naprapathic Practice Act (68 Ill. Adm. Code 1220)

1) Rulemaking:

A) Description: Continuing education rules and other sections that may need to be revised due to the newness of regulation of this profession.

B) Statutory Authority: [225 ILCS 25]

C) Schedule meeting/hearing date: No hearings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: Licensed naprapaths will be affected.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

DEPARTMENT OF PROFESSIONAL REGULATION

JANUARY 1998 REGULATORY AGENDA

i) Part(s) (Heading and Code Citation): Illinois Occupational Therapy Practice Act (68 Ill. Adm. Code 1315)

1) Rulemaking:

A) Description: Sections involving supervision, program approval and the licensure examination will be amended to update the rules to conform to current practices. Other sections also will be updated, including an expanded professional conduct section.

B) Statutory Authority: [225 ILCS 75]

C) Schedule meeting/hearing date: No hearings have been scheduled, but meetings have been held with the Occupational Therapy Board and rules will be on the agenda of future Board meetings until the Department's proposed rules are ready for publication in the Illinois Register.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: Occupational therapists will be required to adhere to expanded ethical standards.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

j) Part(s) (Heading and Code Citation): Pharmacy Practice Act of 1987 (68 Ill. Adm. Code 1330)

1) Rulemaking:

A) Description: The pharmacy rules will be updated to conform with the sunset rewrite of the Act in 1997.

B) Statutory Authority: [225 ILCS 85]

C) Schedule meeting/hearing date: No hearings have been scheduled, but rules will be on the agenda of future State Board of Pharmacy meetings until the Department's proposed amendments are ready for publication in the Illinois Register.

DEPARTMENT OF PROFESSIONAL REGULATION

JANUARY 1998 REGULATORY AGENDA

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: The effects on pharmacy businesses are yet to be determined.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

k) Part(s) (Heading and Code Citation): Professional Engineering Practice Act of 1989 (68 Ill. Adm. Code 1380)

1) Rulemaking:

A) Description: Various Sections will be amended to address inconsistencies and technical problems.

B) Statutory Authority: [225 ILCS 325]

C) Schedule meeting/hearing date: No hearings or meetings have been scheduled.

D) Date agency anticipates First Notice: Unknown

E) Effect on small businesses, small municipalities or not for profit corporations: Licensed professional engineers and those seeking licensure.

F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645

G) Related rulemakings and other pertinent information: None.

l) Part(s) (Heading and Code Citation): Structural Engineering Licensing Act of 1989 (68 Ill. Adm. Code 1480)

1) Rulemaking:

DEPARTMENT OF PROFESSIONAL REGULATION

JANUARY 1998 REGULATORY AGENDA

- A) Description: Various Sections will be amended to address inconsistencies and technical problems.
- B) Statutory Authority: [225 ILCS 340]
- C) Schedule meeting/hearing date: No hearings or meetings have been scheduled.
- D) Date agency anticipates First Notice: Unknown
- E) Effect on small businesses, small municipalities or not for profit corporations: Licensed structural engineers and those seeking licensure.
- F) Agency contact person for information:
Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813 Fax: 217/782-7645
- G) Related rulemakings and other pertinent information: None.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the period of January 20, 1998 through January 26, 1998 and have been scheduled for review by the Committee at its February 17, 1998 meeting in Springfield. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rule should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

Second Notice Expires	Agency and Rule	Start of First Notice	JCAR Meeting
3/5/98	Department of Nuclear Safety, Use of X-Rays in the Healing Arts Including Medical, Dental, Podiatry, and Veterinary Medicine (32 Ill Adm Code 360)	11/7/97 21 Ill Reg 14423	2/17/98
3/5/98	Department of Transportation, Shippers General Requirements for Shipments and Packagings (92 Ill Adm Code 173)	11/21/97 21 Ill Reg 14933	2/17/98
3/5/98	Department of Transportation, Rulemaking Procedures (92 Ill Adm Code 102)	11/21/97 21 Ill Reg 14929	2/17/98
3/5/98	Department of Transportation, Procedures (92 Ill Adm Code 107)	11/21/97 21 Ill Reg 14923	2/17/98
3/5/98	Department of Transportation, Hazardous Materials Table and Hazardous Materials Communications (92 Ill Adm Code 172)	11/21/97 21 Ill Reg 14918	2/17/98
3/5/98	Department of Transportation, Specifications for Tank Cars (92 Ill Adm Code 179)	11/21/97 21 Ill Reg 14950	2/17/98
3/5/98	Department of Transportation, Specifications for Packagings (92 Ill Adm Code 178)	11/21/97 21 Ill Reg 14940	2/17/98
3/5/98	Department of Transportation, Continuing Qualification and Maintenance of Packaging (92 Ill Adm Code 180)	11/21/97 21 Ill Reg 14905	2/17/98

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

3/5/98	Department of Transportation, Carriage by Public Highway (92 Ill Adm Code 177)	11/21/97 21 Ill Reg 14900	2/17/98	
3/5/98	Department of Transportation, General Information, Regulations and Definitions (92 Ill Adm Code 171)	11/21/97 21 Ill Reg 14909	2/17/98	
3/5/98	Department of Professional Regulation, Medical Practice Act of 1987 (68 Ill Adm Code 1285)	12/1/97 21 Ill Reg 15088	2/17/98	
3/5/98	Department of Human Services, Food Stamps (89 Ill Adm Code 121)	5/2/97 21 Ill Reg 5410	2/17/98	
3/6/98	Department of State Police Merit Board, Procedures for the Department of State Police Merit Board (80 Ill Adm Code 150)	12/5/97 21 Ill Reg 15448	2/17/98	
3/7/98	Environmental Protection Agency, Procedures for Determining Water Quality Based Permit Limitations for National Pollutant Discharge Elimination System Dischargers to the Lake Michigan Basin (35 Ill Adm Code 352)	10/10/97 21 Ill Reg 13416	2/17/98	
3/8/98	Department of Central Management Services, Pay Plan (80 Ill Adm Code 310)	11/14/97 21 Ill Reg 14648	2/17/98	
3/11/98	Environmental Protection Agency, Procedures for Collection of Air Pollution Site Fees (35 Ill Adm Code 251)	7/11/97 21 Ill Reg 8759	2/17/98	
3/11/98	Department of Human Services, Illinois Long-Term Care Partnership Demonstration Program (89 Ill Adm Code 688)	3/7/97 21 Ill Reg 2945	2/17/98	

ISSUES INDEX

Vol. 22, Issue 6

February 6, 1998

Rules acted upon during the quarter of January 1 through March 31, 1998 (Issues 1-13) are listed in the Issues Index by Title number, Part number and Issue number. For example, 50 Ill. Adm. Code 4401 published in Issue 40 will be listed as 50-4401-40. The letter "R" designates a rule that is being repealed. Inquiries about the Issues Index may be directed to the Administrative Code Division at 217-782-4414 or jnatalie@ccgate.sos.state.il.us (Internet address).

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SECRETARY OF STATE
INDEX DEPARTMENT
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